



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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

Déardaoín, 15 Meán Fómhair 2011.

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SEANAD ÉIREANN

Déardaoin, 15 Meán Fómhair 2011.
Thursday, 15 September 2011.

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Paidir.

Prayer.

Business of Seanad

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

The need for the Minister for Enterprise, Trade and Innovation to discuss the need for immediate, realistic and deliverable proposals to create jobs in Waterford and the south east.

I have also received notice from Senator Thomas Byrne of the following matter:

The need for the Minister for the Environment, Community and Local Government, in the light of the case of Darlington Properties v. Meath County Council in the High Court and the independent report commissioned by Meath County Council and published this week, to outline his proposals and issue instructions or circulars to local authorities to ensure such a scenario is not repeated in the future.

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

Order of Business

Senator Maurice Cummins: The Order of Business is No. 1, motion re International Democracy Day, to be taken without debate; No. 2, statements on the future of local and rural transport, to be taken at the conclusion of the Order of Business and conclude not later than 1.45 p.m., if not previously concluded, with the contributions of spokespersons not to exceed ten minutes and those of all other Senators not to exceed eight minutes; No.3, Insurance (Amendment) Bill 2011, all Stages, to be taken at the conclusion of No.2 and conclude not later than 5.30 p.m., if not previously concluded, with the contributions on Second Stage of spokespersons not to exceed ten minutes and those of all other Senators not to exceed six minutes.

Senator Darragh O'Brien: I will be strenuously opposing the Order of Business on the basis that the debate on the first Bill to be taken in this session is to be guillotined. This is a Bill that we would probably normally reluctantly support, given that the insurance compensation fund needs to be replenished——

Senator Paul Coghlan: Fianna Fáil introduced it.

An Cathaoirleach: Senator O'Brien to continue, without interruption.

Senator Darragh O'Brien: Yes, but the problem is that there is no timeline set in the Bill. An open-ended levy of 2% is to be introduced on all non-life assurance policies and the position is not even to be reviewed. We were talking yesterday about improvements to the way we did our business in the Seanad, yet all Stages of the first finance Bill are to be taken in one day. I am, therefore, strenuously opposing the Order of Business on that basis.

Senator Paul Coughlan: What about the creation of jobs in industry?

An Cathaoirleach: Senator O'Brien to continue, without interruption.

Senator Darragh O'Brien: I have rarely, if ever, interrupted the Senator. This is not the way to do business. This is an important Bill which provides for an extra charge for hundreds of thousands of people. The charge is probably necessary to replenish the insurance compensation fund, but this is not the way to do business in the House. I hope we will not see the debate on any further Bills being guillotined in this fashion.

I asked yesterday whether we would have a debate on the three year fiscal plan the Government was to introduce. I asked that question in the context of the budget deliberations. On the last day of the previous session the House saw fit to defeat by only three votes a Bill which would have provided real protection for home owners. Is the Government going to see through its commitment given prior to the general election to increase the rate of mortgage interest relief to 30%? This effectively would amount to a net saving of €160 per month for home owners in difficulty, but the Government has been backtracking since. Will it do what it stated it would do, or will it renege on another pre-election promise?

Senator Ivana Bacik: It is extremely rich to hear Fianna Fáil Senators talking about people reneging on their election promises, given that it was that party which brought us to the situation in which we find ourselves.

Senator Darragh O'Brien: The Senator cannot keep trotting out that garbage. The Labour Party and Fine Gael have a programme for Government and have reneged on practically every promise made.

(Interruptions).

An Cathaoirleach: Senator Bacik to continue, without interruption.

Senator Ivana Bacik: As the Minister for Education and Skills said, the country is in receivership thanks to the actions of——

Senator Mark Daly: Its Labour's way or Frankfurt's way. Is that the way things will be?

An Cathaoirleach: Senator Bacik to continue, without interruption.

Senator Mark Daly: Did somebody say something about one red cent?

Senator Ivana Bacik: I will not be lectured by Fianna Fáil Members on reneging on promises.

Senator Mark Daly: The Labour Party and Fine Gael made promises to the people before the general election.

An Cathaoirleach: Senator Daly, please.

Senator Mark Daly: They made promises and have not fulfilled one of them.

An Cathaoirleach: Can we, please, listen to Senator Bacik?

Senator Terry Leyden: The Senator thinks she is lecturing in Trinity College at the moment.

Senator Ivana Bacik: I am on unpaid leave from Trinity College.

Senator Terry Leyden: I thought the Senator had been made a professor.

An Cathaoirleach: There is no need for those remarks.

Senator Terry Leyden: I am grateful to the Senator for clarification.

Senator Ivana Bacik: I remind Senator Darragh O'Brien that it was a Fianna Fáil Government which——

(Interruptions).

An Cathaoirleach: Please allow Senator Bacik to speak without interruption.

Senator Mark Daly: She constantly goes on about the record of the previous Government.

Senator Darragh O'Brien: Does she wish to talk about——

(Interruptions).

An Cathaoirleach: Senator Bacik has three minutes to make her case. A number of other Senators have indicated they wish to speak. Those who interrupt are eating into their own speaking time.

Senator Ivana Bacik: It was the failed policies of the previous Government which brought the country into receivership.

Senator Mark Daly: The Senator cannot keep going on about the record.

Senator Ivana Bacik: That was the point I wanted to make.

Senator Mark Daly: We can all make similar points. The Government parties made promises to the electorate which they have not fulfilled.

An Cathaoirleach: I ask Senator Daly not to interrupt.

Senator Ivana Bacik: I wanted to respond to Senator Darragh O'Brien.

Senator Terry Leyden: You are excited.

Senator Ivana Bacik: I am never excited as——

An Cathaoirleach: Senators must speak through the Chair.

Senator Terry Leyden: I find it very hard to be excited having to listen——

Senator Ivana Bacik: Senator Leyden is far too excitable.

In response to Senator Darragh O'Brien's point, it is a matter of great regret that the Insurance (Amendment) Bill is before the House and that a guillotine will apply. All of us

[Senator Ivana Bacik.]

wish the legislation was not necessary. The Senator has noted, fairly, that it is probably necessary because of what has taken place in respect of the Quinn Group.

Senator Darragh O'Brien: Why is the debate to be guillotined and why is there no timeline?

Senator Ivana Bacik: There is no money in the insurance compensation fund, on which I understand a call will be made on 4 October.

Senator Darragh O'Brien: The House will push through the legislation in one day.

Senator Ivana Bacik: The administrators of the Quinn Group will go to the High Court to seek funding on 4 October. That is the reason for the urgency in taking the Bill. We regret the need for the Bill and the use of the guillotine.

Senator Darragh O'Brien: Will more guillotines be applied?

Senator Ivana Bacik: If I could finish, we also very much regret the need for the levy.

Senator Darragh O'Brien: As I do.

Senator Ivana Bacik: I wish it was not necessary and that we did not have to bail out Quinn Insurance. While it is an unfortunate development, we must remember that a great number of jobs are dependent on the measure.

Senator Darragh O'Brien: Yes, that is the reason my party introduced the insurance compensation fund.

Senator Ivana Bacik: I have answered the Senator's question.

An Cathaoirleach: The points Senators are raising can be discussed in the debate on the Bill.

Senator Ivana Bacik: I refer to a matter raised yesterday on the Order of Business by Senators Zappone and Norris, namely, the proposed merger of the Irish Human Rights Commission and the Equality Authority. In opposition many others in the Labour Party and I were very clear in our support for the agencies in question. No one is against the merger *per se*, but we all want to ensure it brings about an effective entity and maximises the resources available for the protection of equality and human rights in this country. Nobody is more concerned about these matters than me and the Tánaiste, with whom I have raised the matter.

Senator David Norris: That is the reason we are glad the Labour Party is in its present position.

Senator Ivana Bacik: The Senator can be reassured on the matter.

I am pleased to note that on International Democracy Day, 15 September 2011, a cross-party motion is before the House which refers to the events to which I alluded yesterday, namely, the democracy movement and the Arab Spring, and condemns attempts by repressive, non-democratic regimes to suppress these movements. The motion should mark the start of a larger debate in the House on that international context.

Senator Feargal Quinn: Having raised a matter on a number of occasions in the House, I am pleased the British are listening to me and taking action on the issue. I refer to the large amount of wasted food. Information alone can help to address this problem. A number of labels are used on supermarket foods and I take responsibility for my role in this area in the

past. They are “use by”, “sell by” and “best before”. It is clear that products featuring the “sell by” and “best before” labels are capable of being eaten after the date printed on the label, although they may no longer have the flavour the producer would like. A large number of consumers throw such products out when they can still be consumed and the amount of food being wasted as a result is a scandal. People should be reminded that the date featured on the “use by” label is the only one that must be strictly adhered to. I read this morning that the British would introduce legislation or provide information — I am not sure which — to ensure consumers focused on “use by” dates rather than the other two. I mention this because a large amount of food is being wasted when people are dying around the world as a result of the lack of food. We can do something about this and may be that information rather than legislation is required.

I raise one other topic, namely, the treatment of horses. My attention has been drawn to the inability of an individual to obtain a response to a query submitted on foot of concerns about the treatment of racehorses. The person in question has sought information from the Taoiseach, the Turf Club, the Department of Agriculture, Fisheries and Food and Horse Racing Ireland on a number of racehorses which have died but is unable to ascertain who has responsibility for this issue. I will pass on the information in my possession. I ask that the Minister reply to the individual concerned, clear up any doubt about who is responsible and put the individual’s mind at rest.

Senator Fidelma Healy Eames: I will raise two issues. The Leader will recall that before the summer recess a number of other Senators and I sought a wide-ranging debate with the Minister for Education and Skills. The need for such a debate is more urgent than ever. The first issue I would raise with the Minister is the continuing decline in educational standards, particularly in mathematics. I am especially concerned about our performance in project maths. Yesterday’s junior certificate results also show up how poorly we are performing in foreign languages. Ireland is the weakest country in the European Union in learning languages.

I am especially concerned about the extent to which parents must shore up the education system by providing for private grinds at great cost. This issue must be addressed.

A debate on education should also examine ways to support children with special educational needs in the classroom. Is the special needs assistant, SNA, model the only way forward and what role can parents play in this regard? I do not believe the model is sustainable in terms of cost.

On the sale of a minority stake in the ESB, a member of the public made an interesting proposal to me yesterday. Given the large amount of savings held by Irish people, will the Minister for Communications, Energy and Natural Resources, Deputy Pat Rabbitte, make a statement to the House on the proposed sale? I would like to ask him to consider establishing a syndicate or fund to enable Irish people to bid for a stake in the ESB. This is an innovative proposal because the sale of a minority stake in the ESB rather than simply providing a cash cow for the country would also give people a stake in the company.

I look forward to the Leader’s responses on the two urgent issues I have raised.

Senator Terry Leyden: Senator Healy Eames’s has made an interesting proposal which should be examined in detail by the Government.

I am pleased to confirm that Senator Bacik has left Trinity College on leave of absence. I welcome clarification on the issue as I had not seen any statements about it. While it is not my business, given that the Senator has been a Member of the House for four or five years, her leave of absence is a positive development.

Senator Maurice Cummins: The Senator is correct. It is none of his business.

Senator Terry Leyden: Senator Bacik informed me of the position — I did not ask her. Will she miss out on becoming a professor as a result of her decision, given that Trinity College is handing out professorships like snuff at a wake? Senator Norris will probably get one also.

An Cathaoirleach: Who Senator Bacik's employer is is a private matter which is of no concern either to the House or Senator Leyden.

Senator Terry Leyden: The Senator made a statement on the issue to the House a while ago.

Senator Ivana Bacik: I did so in my defence.

Senator Terry Leyden: I am not interested.

An Cathaoirleach: It is a personal matter.

Senator Ivana Bacik: Senator Leyden is as excitable as ever.

Senator Terry Leyden: The Senator is as exciting as ever.

An Cathaoirleach: Does Senator Leyden have a question for the Leader?

Senator Terry Leyden: Yes. The Government and the Fianna Fáil Party have tabled separate motions on Palestine. I am surprised and amazed that the Government is not supporting the application by Palestine to be recognised at the United Nations in September.

Senator Maurice Cummins: The Senator should read the Government motion.

Senator Terry Leyden: I have read it.

Senator Maurice Cummins: The Senator should read it again.

Senator Terry Leyden: I strongly welcome it, if it is the case that——

An Cathaoirleach: Does the Senator have a question for the Leader?

Senator Terry Leyden: When will the Leader's motion be put to the House? I am pleased to note, if it is the case, that the Government will support the recognition of Palestine as a state at the United Nations, bearing in mind that in 1996 I led a delegation which included the current Tánaiste and Minister for Foreign Affairs and Trade, Deputy Eamon Gilmore, that travelled the length and breadth of Palestine with the PLO as its host. I would be disappointed to think the Government would not support this at the United Nations. I am delighted with the motion and I thank the Leader for his clarification. I have read the motion, and it specifically states Ireland will support the application by Palestine for recognition as a state at the United Nations in September.

Senator Jimmy Harte: I have recently been contacted by many soccer fans who will go to Barcelona hoping to see Ireland play Andorra in that city. Maybe the Minister for Transport, Tourism and Sport could be asked to make a statement on the position in which fans find themselves. To date about 4,000 people have booked trips to Barcelona to watch the European Championship game which was originally supposed to take place there. Both the FAI and the Andorran Football Federation have requested that the match be played in Barcelona because of the numbers expected to attend the game, including about 3,000 Irish fans. The stadium

in Andorra can allow only 200 Irish fans to enjoy the game. However, UEFA has decided against this.

An Cathaoirleach: This matter is more suitable for an Adjournment debate.

Senator Jimmy Harte: Perhaps the Minister could make a statement, because the time for the match is approaching. I ask him to speak to UEFA about whether it could change its mind. There may be 3,000 fans arriving in Barcelona without a match to go to — I will probably be one myself. I ask the Minister to make a statement on this.

Senator David Norris: I share the concerns expressed about the operation of the guillotine. This is not the first time we have had a guillotine in this Parliament. Historically, the Leader of the House, Senator Cummins, has shared those concerns. I assume that proper and sufficient reason will be given for the use of the guillotine and that it will not become a practice.

A couple of people described each other as excitable today. I do not think I am excitable today, but I am a little disappointed that there is so much political point-scoring going on. That is unhelpful. We need the Government to come up with constructive proposals. It is important that we have a clear, strong and constructive Opposition. That is how Parliament works. In the situation this House is in, it is important that we maintain its dignity. We should make our points appropriately and in a restrained way. I have not always held to this maxim myself, but I will certainly do my best. The fate of this House hangs in the balance.

Senator Terry Leyden: Very presidential.

Senator David Norris: I welcome the taking of item No. 1, although I note that it is without debate. I ask the Leader whether we can have a debate some time on the principles that underlie the motion, but I am happy it will go through. However, there is one point I would like to make; I am sure my colleague Senator Mullen, who is our representative, will mention this. I note that the names of the Independent Senators are not mentioned. I was contacted and asked by Senator Mullen if I agreed that our names should be added to this, and I said yes. I would like to signal that the Independent group strongly supports this important motion.

I share the concerns echoed on the Government side by Senator Healy Eames about the selling off of utilities. This is a significant step, and the rights of the people must be guaranteed. We have made too many mistakes in preserving a system rather than the people. The welfare of the people comes first. In light of what I said yesterday about maintaining a system — an initiative from the Government that I welcome — under which gas and electricity are not cut off when people cannot pay for them, can the Leader give us a guarantee from the Government that this policy will continue even if there are private and foreign investors in these utilities? I am concerned that we are selling off significant assets.

Senator Michael Mullins: I strongly support the proposal by my colleague Senator Healy Eames about the ESB. It is certainly worthy of consideration and I hope the Government will consider it. It was regrettable that the first words from a union leader at the ESB this morning consisted of a call for strike action.

Senator Fidelma Healy Eames: Absolutely.

Senator Michael Mullins: That is something to be regretted and it is no way to proceed in this day and age.

[Senator Michael Mullins.]

I ask the Leader to convey our appreciation to the Minister for the Environment, Community and Local Government, Deputy Hogan, for clarifying the situation with regard to septic tanks yesterday.

Senator Fidelma Healy Eames: Hear, hear.

Senator Michael Mullins: We have had a summer of scaremongering around rural Ireland by people who should have known better, including Ms Marian Harkin MEP and the former Minister Deputy Ó Cuív, whose revised programme for Government in 2009 stated that the Government would introduce a scheme for the licensing and inspection of septic tanks and waste water treatment systems.

Senator Thomas Byrne: With no fees. The Government is introducing fees; we did not propose that.

Senator Michael Mullins: Yesterday's clarification by the Minister will bring great relief to many.

Senator Thomas Byrne: It certainly will not. They are afraid of their lives that they will have to spend ten grand upgrading their systems.

An Cathaoirleach: Senator Mullins to continue, without interruption.

Senator Thomas Byrne: Afraid of their lives. Ten thousand euro is what they are charging.

Senator Michael Mullins: I put it to the Senator that if he wishes the State to incur a fine of €2.7 million——

Senator Thomas Byrne: Has Senator Mullins read the decision of the European Court of Justice?

An Cathaoirleach: Senator Mullins to continue, without interruption.

Senator Michael Mullins: If the Senator wants the State to incur a fine of €2.7 million and an ongoing charge of €26,000——

Senator Thomas Byrne: Where does the European Court of Justice require that people should pay a fee?

Senator Michael Mullins: That is typical of what we have seen from the Government in recent years. I put it to my colleagues that if one of their members wishes to go to jail — somebody who was a member of the Government——

An Cathaoirleach: Does the Senator have a question for the Leader?

Senator Michael Mullins: The feeling that many of the members of that Government should do a long stretch to pay for their behaviour in recent years.

Senator Mary M. White: That is a serious charge.

Senator Michael Mullins: If the former Minister, Deputy Ó Cuív, is prepared to go to jail for the sake of €50, that says enough about him.

Senator Thomas Byrne: There will be lots of charges and inspections there.

Senator Trevor Ó Clochartaigh: Ba mhaith liom mo dhíomá a léiriú mar gur gealladh dúinn, nuair a bhíomar ag scor, go mbéadh díospóireacht ar na healaíona ar siúl inniu ach níor tharla sin. Deirtear liom go mbeidh sé ag tarlú an tseachtain seo chugainn. Ba mhaith liom soiléiriú a fháil ar sin, mar tá cuid mhaith grúpaí ealaíne atá ag súil leis an díospóireacht sin.

Ar ábhar i bhfad níos tromchúisigh, fad is atá muid ag geadsaíocht anseo tá 130 post idir dhá cheann na meá ins na ceantair Gaeltachta i Meitheal Forbartha Gaeltachta. Ba mhaith liom leasú a iarraidh ar Riar na hOibre inniu le go dtiocfadh an t-Aire, an Teachta Phil Hogan, isteach sa Teach le míniú dúinn céard tá ag tarlú.

I call for an amendment to the Order of Business. As we sit here, 130 jobs in Gaeltacht areas are on the brink of disappearing. Last week, Meitheal Forbartha na Gaeltachta, a company fully funded by the State, had a board meeting at which the members discussed advice by management consultancy Mazars that the company should close because it was trading in a way it should not. The board took a decision that day to cease trading immediately. The manager rang a number of employees to ask them to tell their colleagues they no longer had jobs. In the interim, there were meetings between officials from Pobal, under the aegis of the Department of the Environment, Community and Local Government, and members of the board of directors and ex-management of this company. Up to half an hour ago, none of the employees of this company had been given any notification of where they stood. They cannot collect their dole or use their mortgage protection plans, and they really do not know what to do.

Some of the people concerned are employed under FÁS schemes, and they were told yesterday to go back into work today under these FÁS schemes, although when we sought clarification from FÁS we were told there was no contract for these people to be at work and that they would not be covered by insurance if they did go to work. It is a serious matter. All the funding for this company comes from the State. It is under the aegis of the Minister. These jobs could be saved and the company could be put right. The reason the company is in trouble is bad management, as highlighted by a number of audit reports done by Pobal. We have asked for these reports to be published but they have not been. However, I have seen a copy of one report, and it is a damning indictment of the company.

An Cathaoirleach: Can the Senator reiterate his proposed amendment to the Order of Business?

Senator Trevor Ó Clochartaigh: I propose that we call on the Minister, Deputy Hogan, to come to the House to clarify what his Department intends to do to save the 130 jobs at MFG. This needs to be done immediately because the people concerned are in limbo. It is simply not acceptable. The company has been given ample time to act but it has not done so. This is a matter of great urgency.

Senator Martin Conway: Like others, I call on the Leader to caution the Government to tread carefully with regard to the disposal of any portion of the ESB.

We need to learn from the mistakes of the past. We saw what happened with Telecom Éireann, which became Eircom. We got rid of a network that would have ensured broadband would have been provided to every house in the country. That would have happened had the company remained in State ownership.

I support the call of my colleague, Senator Healy Eames, for a broad-ranging debate on education. Like others, I congratulate the people who got their junior certificate results yesterday and indeed the freshers who are going off to college this week. However, some elements of the education system are simply broken. We need a back-to-basics analysis of the standards,

[Senator Martin Conway.]

quality and funding of education. Whether we like it or not, we have a two-tier education system. If someone has the money, they can get the grinds or go to a private school, but if they do not have the money, they will not do that. One thing that our country prided itself on during the years was that we had a first-class education system. We need to return to that and ensure that everyone has equal access to quality education regardless of whether they have resources. I suggest to the Leader that, in briefing the Minister ahead of such a debate, he should request that information is made available to us on how much funding is made available to private schools and grind schools that provide leaving certificate programmes. If people choose to go into private education, the State should not be expected to cough up money to subvent it. With those remarks, I ask the Leader to ensure that we have a comprehensive, broad-ranging on education during this term.

Senator Marc MacSharry: Will the Leader ask the Minister for Health to report immediately on the existence of Labour Relations Commission agreements between unions representing ambulance staff and the HSE National Ambulance Service wherein it has been agreed that sick leave must be offered to staff as overtime, and whether he will make an immediate statement on the matter? If what has been alleged to me in private is the case, while it might represent a new way of doing Government or business, it is a disgraceful way in which for us to preside over working arrangements for anybody. I am not looking for an amendment to the Order of Business, but if there is no answer by next Tuesday, I will do so, and each day until such time as we have an answer.

I have looked at the legislative programme, which was announced yesterday as representing a great way forward for the people. As has been mentioned, it includes additional burdens on households by way of charges for septic tanks of some €50, which is a small amount to some but is significant to many. It will also impose an annual household charge on the owners of certain residential properties. Yet again, it is void, absent and vacant, as is Government policy generally, in failing to do anything for mortgage holders and the many families who are struggling. I remind the House that the last act of the Oireachtas in the previous session was to vote down the only extant set of proposals that would have helped, and media reports have stated that the expert group that is soon to report will come forward with only superficial proposals to help families. Meanwhile, we in the Oireachtas preside over a legislative programme that will do nothing except increase the burden on families between now and Christmas.

Senator Terry Leyden: Hear, hear.

Senator Marc MacSharry: Rest assured that Fianna Fáil will re-present the Family Home Bill and bring forward proposals that represent help for desperate and hopeless families, not present a legislative programme that was announced to a great fanfare——

Senator Martin Conway: The Senator's party had 14 years to do it.

Senator Marc MacSharry: ——but which, unfortunately, is empty of the real solutions families need.

Senator Marie Moloney: In last year's budget, the Minister increased the registration fee for colleges, which is now known as the student contribution, to €2,000, but said that only one member of the family will have to pay the increased rate. In recent weeks, I have come across a number of families with two or more students in college who have had to pay €2,000 each. They have been advised that the way in which to reclaim the money is to do it through their tax by getting a rebate for it in their tax at 20%. Now, 20% of €4,000 equates to €800 and not

€1,000 as it should be, so parents are losing out on 20% of their entitlement. I ask the Leader to ask the Minister for Finance to introduce legislation to rectify the anomaly as quickly as possible or to come to the House and explain to us why he cannot do so.

Senator Sean D. Barrett: I agree with the proposals from Senators Healy Eames and Conway to invite the Minister for Education and Skills to come to the House. The problem of mathematics in Ireland, which was first raised in this House, has been promoted heavily in one of the national newspapers. My fear is that it may be even bigger than has been stated so far. The expert group on future skills needs estimates that as few as 20% of teachers of second level mathematics studied it as a major subject beyond the first year of their primary degree. That means that 80% are non-qualified, which is way in excess of the 30% that has been mentioned. The Minister should consult the expert group and the Royal Irish Academy, which have made the running on this.

We need a mechanism quickly to get university mathematics departments and higher diploma in education departments to talk to each other. As Senators have said, the bonus points reward those who can afford grinds, those who attend private schools, and those who have been taught by the 20% of teachers who are fully qualified in the subject. The problem also has horrendous impacts on our attempts to promote Ireland as a centre of science, engineering and technology. In the current recession, perhaps engineers could be drafted in on a temporary basis to teach mathematics in schools. I commend the Minister on his interest in this major problem, but it may be even larger and more urgent than is realised. I hope he will accede to the other Senators' requests and come in to debate this major issue in education.

Senator Catherine Noone: I express my support for the Minister for the Environment, Community and Local Government, Deputy Hogan, who is in negotiations or talks with NAMA to try to get it to allocate some of its stock to social housing. That should be a key priority for NAMA and it is absurd that it is not. The housing list had 58,000 people on it in 2008 and it currently has 100,000 people on it. No doubt many of those individuals were helped along the way by bankers, developers and, it has to be said, some of our colleagues in Fianna Fáil. I say that with the greatest respect to Senator Norris, with whom I agree that we should not be seeking to score political points. There is a difference, however, between making political points and helping colleagues with their delusions, and the fact is that many people were helped onto the housing list by Fianna Fáil as well. That has to be said.

Senator Darragh O'Brien: What is the Senator talking about?

Senator Catherine Noone: I ask the Leader to ask the Minister, Deputy Hogan, to come to the House. As many colleagues have asked for this, it seems there is a need for it. Allocating some of NAMA's stock for social housing should be made a key priority without delay.

Senator Mark Daly: The Senator said that she was going to help us with our delusions. The political points scoring that is ongoing is regrettable in the light of the fact——

Senator Catherine Noone: Senator Daly is continuing it.

Senator Mark Daly: ——that the Government made many promises to the people and has managed to keep less than 10% of them. It was not elected to blame the previous Government, rather to fulfil its promises to the people.

I note that the first item on the Order of Business is on international democracy day and the Arab Spring, but I also note from the Order Paper that there is a Government motion that this side of the House did not previously support in relation to recognition of the Palestinian

[Senator Mark Daly.]

state. It is long-winded and convoluted and looks like the Government is preparing the way not to support Palestinian state recognition at the United Nations this year. That is regrettable. On the other side of the same the page we have this side of the House supporting the pre-1967 borders. It will be interesting to see if the Labour Party, especially as the Minister for Foreign Affairs and Trade is the leader of that party, will support a long-held view and see if Ireland has an independent foreign policy anymore. Will we leave it up to the European Union to decide the fate of the Palestinian people and the Palestinian state? As we know EU foreign policy is not worth the paper on which it is written. It could not intervene to do anything in Bosnia or Serbia. It has been woefully inadequate in many situations throughout the world. I hope the Government will reflect the people's views on the recognition of a Palestinian state. If not, when the resolution is decided by the Palestinian Authority, Fianna Fáil with, I hope, colleagues on both sides of the House will put that wording. The same wording that is being put before the United Nations this month will be put before this House and we will see where people's beliefs lie and whether they will simply follow the EU line on this.

Senator Ivana Bacik: Perhaps we can change the EU line.

Senator Thomas Byrne: Senator Bacik did not sign that motion.

Senator Darragh O'Brien: Is it just a Fine Gael motion?

Senator Ivana Bacik: The Senators should read the document.

An Cathaoirleach: Does Senator Daly have a question for the Leader.

Senator Mark Daly: If the Government fails to change the European Union's mind, let us hope we will have a mind of our own for once.

Senator Ivana Bacik: We always do.

Senator Mark Daly: I would be delighted to see that. When the resolution comes to the House I hope the Labour Party — whatever about Fine Gael — will have the courage of its convictions and will support it.

Senator Ivana Bacik: We always do.

Senator Thomas Byrne: They are right to do so.

Senator Mark Daly: It will be great to be able to quote that back to the Senator if she manages to vote down the resolution itself.

I also second the amendment to the Order of Business.

An Cathaoirleach: Which amendment is the Senator seconding?

Senator Mark Daly: The one regarding Senators Leyden and O'Brien. We object to the Order of Business.

Senator Paul Coghlan: In regard to the ESB and other State companies and properties, we should remind ourselves of the words of the Minister, Deputy Rabbitte. He said that we need to manoeuvre within the parameters of what the previous Government agreed on behalf of this sovereign State with the European Union and the IMF. There are parameters, but I have no doubt we can have confidence in any decisions the Government will make. It is proceeding with caution and due care, and I think this is very preliminary.

I am glad Senator Daly has spoken. The front page of today's *Irish Examiner* contains an interesting story, which I have not had time to digest fully. I believe it also has an editorial which I will read later and to which Senator Bacik drew my attention before we came into the House. It relates to NAMA and a decision by Ms O'Reilly, the Information Commissioner. I had understood that body was excluded by statute, but it seems that she has made a decision that it is subject to the Freedom of Information Act, which is very interesting. While this may be subject to appeal, I ask the Leader to bring in the Minister for Finance in order that we can have clarity on the subject in due course. NAMA has a social obligation. It is important to have a coherent policy in the national interest. I share the concern of the Minister, Deputy Hogan, about the great number of ghost estates and unfinished houses that could do such good in co-operation with local authorities in housing the many people who are on the housing lists. Obviously there should be discussions in pursuit of that policy between the Minister, his officials and NAMA. I back the calls to invite the Minister to the House to provide some clarity on the matter. It is an urgent national concern. NAMA is not just a debt collection agency. The banks, as we know, busted us and made valueless judgments on lending decisions. There is much to be cleared up in that regard.

An Cathaoirleach: Is the Senator asking that the Minister should come to the House?

Senator Paul Coughlan: I am looking for the Minister to come in to get clarity.

Senator David Cullinane: I support the request by a number of previous speakers for the Minister, Deputy Rabbitte, to come to the House to discuss the potential sell-off of a stake in the ESB. It is ironic that at a time when the State is nationalising private banking debt and taking on the burden of debt which belongs to international investors, it is at the same time privatising profitable State-owned companies such as the ESB. It shows the scale of the injustice that is being perpetrated on the people. We will end up with a national debt of more than €200 billion by the end of 2013, while at the same time selling off all of the family jewels. We are not only putting the State into liquidation — Senator Bacik rightly blamed the previous Government for this — but also not taking responsibility for what the present Government should do. This Government will unfortunately add to the problem by selling off profitable State companies. The ESB is self-financing. It has made a profit and put €1.2 billion into the State in the past seven years and more than €2.2 billion in the past ten years. It is a profitable company that should remain in public ownership. Senator Healy Eames put forward the notion that some syndicate of Irish people should be put in place to allow some Irish people to invest in the ESB. All of the Irish people own the ESB regardless of whether we have money. It is absurd to suggest that a small percentage of Irish people who happen to be wealthy and have cash in the bank be given the unique opportunity to invest in the ESB. All of the people concerned, who are being crushed by all the policies that have been put in place——

An Cathaoirleach: These are points the Senator can make during the debate on the matter.

Senator David Cullinane: —— will not be given the opportunity to do so. I ask the Government representatives to reflect on the fact that we own the ESB and should not open it up to people either nationally or internationally to come in and make profits on the back of a profitable State-owned company.

I second the motion tabled by Senator Ó Clochartaigh to have the Minister come to the House to discuss the job losses at MFG.

Senator Cáit Keane: I echo what was said by Senator Norris today and Senator Crown yesterday that this House is not a House for individual constituencies, but a House for the

[Senator Cáit Keane.]

country. Given the pain that was evident in the face of the Minister, Deputy Rabbitte, when he spoke yesterday, it was clear that the decision was taken because he had no other option and was done within the parameters of what was available as mentioned by Senator Paul Coughlan. Sometimes people need to do things for the country that they would not do for their constituency if they are politically minded. Difficult decisions are difficult decisions and need to be taken by Government, and nobody is happy taking difficult decisions.

I have a question for the Minister for Education and Skills on grinds. Senator Barrett spoke about the teaching of maths. I compliment Engineers Ireland, which for the past 18 months has been offering free maths grinds for leaving certificate students on Saturday mornings. It has now extended the scheme into the junior certificate. The grinds are provided by engineers who are qualified in honours maths and applied maths. I have a son who has done maths and applied maths. There is talent throughout the country. UCD have been very good at following up with its alumni in the enterprise sector. I spoke yesterday about how it is following up with the alumni in London who are involved in businesses. The Government and universities should come together to use the talent that exists. President McAleese has spoken about the attitude to volunteerism in Ireland. Most graduates who did honours maths do not go into teaching. My son did not go into teaching. There is a great deal of talent available. Many people who are not politicians would do things for their country if they had the opportunity to do so. Universities and voluntary groups, for example, would be glad to capitalise on the services of such individuals. We have to lay down the criteria for this by deciding who is and is not qualified to teach maths. We should avail of the massive talent available. Many honours graduates are not teachers. I ask the Minister for Education and Skills to establish a group to see how we can work with the universities to do something like this.

Senator Thomas Byrne: I suggest Senator Mullins' words will come back to haunt him. When the inspections start to take place, they will be concentrated in places such as east Galway where there has been a history of pollution and there are problems with the water table. It will come back to haunt the Senator when there are no grants available. Everyone wants clean water and expects us to comply with European law. We are not saying otherwise.

Senator Michael Mullins: If there is pollution, it has to be cleared up.

Senator Thomas Byrne: European law does not require the imposition of a charge. It states a grant cannot be provided to help those unfortunate people who will be unable to upgrade their systems.

Senator Tom Sheahan: It was Fianna Fáil that——

Senator Thomas Byrne: I am glad to support my colleagues in calling for the Order of Business not to be agreed to. It is an absolute scandal that we are imposing a levy on insurance policies today in a single meeting of the Seanad. It is a disgrace. We are talking about Seanad and Dáil reform, but it seems to be all talk and no action. I will not say anymore about the legislation because I have not had time to read it. I will have to spend my day reading it because my colleague who usually deals with such matters is not here today, unfortunately.

The Tara Mines pensioners from County Meath were outside Leinster House yesterday to protest against the introduction of a 0.6% levy on pension funds. We were told that the levy was to be introduced in the interests of job creation. When we claimed that pensions could be reduced by 10% as a result of the levy, we were told we were exaggerating and that we did not know what we were talking about. It was suggested it was a disgrace to oppose something that was all for jobs. The measure involved VAT cuts for industries such as the newspaper industry, which I highlighted at the time. A person who was outside this building yesterday will have his pension reduced from €10,000 to €9,000. The Government is taking money from him

and giving it to Tony O'Reilly, Denis O'Brien and Rupert Murdoch. These are the facts. When we asked the Taoiseach if he had received any advice on the measure, he would not give it to us. Fianna Fáil had to submit a freedom of information request to find out that the Government had been advised not to introduce this measure because it would have huge adverse effects on pension funds. Document No. 112 which was released on foot of our freedom of information request is a letter from a representative of the Irish Insurance Federation on behalf of Standard Life, Irish Life and New Ireland. It argues that insurers must be in a position to pass on the levy to policyholders. That is what the industry asked for and that is what the Government gave it.

An Cathaoirleach: The Minister for Finance will be in the House later today to talk about insurance issues.

Senator Thomas Byrne: We tabled a specific amendment to provide that it would not be possible to pass on the levy to policyholders.

An Cathaoirleach: These issues can be raised with the Minister.

Senator Thomas Byrne: The Government got together with the industry and stated, "Yes lads, we will do that for you, thanks very much." Ordinary workers and pensioners are suffering as a result. The Taoiseach hid these documents from the Oireachtas.

An Cathaoirleach: Does the Senator have a question for the Leader?

Senator Thomas Byrne: It was a disgrace that they were not put before us. The same thing is happening today with the Quinn Insurance levy. We are not getting any documents or background information. That is the sort of new Government we have. It is a disgrace.

Senator Rónán Mullen: Tacaím go mór leis an méid a dúirt an Seanadóir Ó Clochartaigh maidir leis an gá atá ann díospóireacht a bheith againn faoi chúrsaí ealaíne agus cultúrtha. Bhí sé i gceist go mbeadh an díospóireacht sin ar siúl an tseachtain seo. Bheadh sé go maith dá mbeadh soiléiriú againn ó thaobh an dáta ar a mbeidh an díospóireacht sin againn. Thug mé faoi deara go bhfuair mé go leor teachtaireachtaí ó eagrais agus gluaiseachtaí éagsúla atá ag plé le cúrsaí ealaíne agus cultúrtha. Tá sé an-suimiúil go bhfuil suíomh idirlín, www.freagra.net, ar fáil d'éinne atá ag iarraidh leagan ceart Gaeilge a chur ar cibé teachtaireacht atá acu — comhartha siopa, nóta le dul i bpáipéar nó rud éigin eile. Is iontach an rud é go bhfuil seirbhísí den sórt seo ar fáil chun cabhrú le daoine Gaeilge snasta cruinn a chur ar cibé teachtaireacht atá acu. Tá súil agam go mbeidh deis againn acmhainní agus imeachtaí den sórt sin — tréaslaím leo — a phlé go luath.

I echo the concerns expressed about the shortening of debates on legislation in this House. This issue will be particularly acute when it is proposed to make changes by means of referendum. It seems we have got ourselves into a bad position. Certain proposals are the subject of a great deal of discussion outside the Dáil and the Seanad but very little time for debate is provided when they are raised in the Seanad. The various excuses we hear such as the fact that certain legislation has to be passed before the presidential election takes place on a particular date are not good enough. If it is proposed to take certain legislation at a certain point, I suggest there is no reason we cannot have a debate on the relevant issues in advance. This House has not had a substantial debate on the judges' pay referendum, or the proposal to reverse the Abbeylara judgment to widen the powers of Oireachtas committees. It is unacceptable that we will have a quick and rushed debate before the issue is put directly to the people. One way of overcoming this problem is to provide for debates on these issues before the relevant legislation comes before the House. That would demonstrate that the Government has a genuine interest in hearing the opinions of the Houses on its proposals.

[Senator Rónán Mullen.]

Many have expressed concern about point-scoring. The people want us to start scoring a few goals. We cannot do this, unless we work together.

Senator Tom Sheahan: I would like to add to the debate on the proposal that a charge be imposed for having one's septic tank inspected. I would like the Leader to ask the Minister for the Environment, Community and Local Government to bring it to the attention of the officials in the environmental division of his Department that the real problem in this regard is pollution by phosphates. Given that we have unleaded fuel, low-tar cigarettes, fat-free foods, yeast-free bread and sugar-free foods, perhaps the Department might examine whether it is possible to remove phosphates from detergents and dishwasher tablets, etc. If pollutants such as phosphates could be removed from detergents, etc., I would like to see some movement on that side.

Senator Maurice Cummins: Senator Darragh O'Brien spoke about the Insurance (Amendment) Bill 2011 which we will have ample opportunity to discuss today. The debate can continue until 5.30 p.m., if necessary and if there is a sufficient number of speakers. I do not know whether we will reach 5.30 p.m. We will see how it goes.

Senator Darragh O'Brien: That is not the point. We are concerned about the tabling of amendments.

Senator Maurice Cummins: It is a short, technical Bill that must be signed by 30 September.

Senator Darragh O'Brien: Today is 15 September.

Senator Maurice Cummins: The administrators for Quinn Insurance will be back in the High Court in advance of the sale of the company on 4 October.

Senator Darragh O'Brien: How many debates on Bills have been guillotined so far in this Seanad?

Senator Maurice Cummins: A heavy legislative programme will be conducted in this session. All Senators have seen the list. I will do my best to ensure ample time is made available for debate. Nevertheless, on some occasions it will be necessary to pass legislation by certain dates. I must facilitate the schedule of business of the House at times. However, ample time will be provided to discuss legislation at every possible opportunity. I have explained the need for the Insurance (Amendment) Bill 2011 to be dealt with speedily. Ample time has been set aside for the discussion on it today.

Senator Darragh O'Brien also asked about the possibility of having a debate on the three-year fiscal plan. The Government intends to publish a pre-budget outlook document by the end of October, following the completion of the comprehensive review of expenditure. The Minister for Finance who will be in the Chamber today has agreed to be present again in the early weeks of October for a discussion on financial matters. I am sure that we will have ample time for debate on the myriad of subjects that Senators have raised under the financial brief. The Minister has committed and he will be in here by the middle of October to discuss financial matters.

Senator Bacik gave reassurances on the merger of the Irish Human Rights Commission and the Equality Authority which was raised on the Order of Business yesterday.

Senator Quinn raised the subject matter of the large amount of food wasted because of labelling. It is certainly a matter that we can consider. I note yesterday he mentioned food matters with the Minister for Jobs, Enterprise and Innovation. I can try to ascertain the intentions of Government on the introduction of legislation, if necessary, on that labelling issue.

On the welfare of horses, my first was that it is the responsibility of the Minister for Agriculture, Fisheries and Food, but I will certainly try to find out. Senator Quinn might pass on the information he has. I would be interested to know whether it related to the number of racehorses dying on the course or elsewhere. I look forward to seeing that correspondence and I will pass it on to the relevant Minister.

Senators Healy Eames, Conway, Barrett and Keane each made good points on an issue that was raised yesterday, project maths. The Minister for Education and Skills, Deputy Quinn, will be in next week dealing with legislation, but he will be in by the end of the October to deal with education matters and we can have statements and questions on that matter at that time.

Senator Harte raised the football game in Andorra. As the Cathaoirleach pointed out, it is probably more appropriate for an Adjournment matter to the Minister for Transport, Tourism and Sport. It was a bad decision by UEFA to have the match in Andorra when so many people had initially thought that the game would be held in Barcelona and had bought tickets. It is a bad day for Irish fans. Let us hope we can beat Armenia and Andorra and we will qualify for greater things in the European Championship.

Senator Rónán Mullen: With a little help from Slovakia.

Senator Maurice Cummins: It is not necessary at this stage.

Senator Rónán Mullen: Does the Leader think so?

Senator Maurice Cummins: Senator Norris spoke of maintaining the dignity of the House. I certainly will do everything possible to maintain the dignity of the House at all times. I can referee slugging matches on both sides, but there is little I can do about it. He spoke in favour of a future debate on the principles behind the motion on International Democracy Day, which is something that we will arrange. Probably, we will have the Tánaiste and Minister for Foreign Affairs and Trade in to discuss that and many other foreign affairs matters. We have not had the Tánaiste in yet and we will try to have him in during this session.

On the ESB and charges, I am not in a position to give any guarantees on the charges for future years. Senator Mullins and others raised the question of septic tanks. The Minister for the Environment, Community and Local Government, Deputy Hogan, has given clarification on the matter and I am sure this clarification will be welcomed by all right-thinking people.

Senators Ó Clochartaigh and Mullen sought a debate on the arts. We will have the debate on the arts next week. The Minister for Arts, Heritage and the Gaeltacht, Deputy Deenihan, is looking forward to the occasion. I understand there is also a briefing from those involved in the arts the day before on that matter.

The Senator also sought clarification and proposed an amendment to the Order of Business on a clarification regarding the job losses at MFG. Probably, it should have been the subject of an Adjournment motion and I do not propose to amend the Order of Business for a debate on the matter. It is a serious matter for all of the 130 workers involved, but the Senator should take it up with the Minister or put down an early Adjournment motion for next week where it can be discussed.

Senator Trevor Ó Clochartaigh: It will be too late next week.

Senator Maurice Cummins: I dealt with Senator Conway's point on education.

Senator MacSharry raised a question on agreements with ambulance staff. I will try to find out the answer to that from the Minister for Health, Deputy Reilly, and get back to the Senator. Senator MacSharry also spoke of mortgage arrears. The Government's economic management council has been asked to form an interdepartmental group which is set to consider the further

[Senator Maurice Cummins.]

necessary actions to alleviate the problem of mortgage indebtedness. The Minister, Deputy Noonan, has agreed to come in to a debate here by mid-October when we will have ample opportunity. Measures may even be in place by then to help those indebted with mortgages.

Senator Moloney raised student contributions and rightly pointed out the existing anomalies. She probably should consider it as a matter for the Adjournment to be dealt with by the Minister for Finance, and she may get answers.

Senator Noone raised NAMA. Certainly, the Minister for the Environment, Community and Local Government, Deputy Hogan, is in ongoing discussions with NAMA on releasing stocks for social housing, which would be desirable. A number of Senators have asked that the Minister come in also and he has given a commitment that he will be in the House for a debate on a wide range of issues under his remit by the end of October.

Senator Daly referred to blaming of previous Governments. The former Leader of this House blamed Governments dating back nearly to the 1920s when he was in this position and I have no intention of doing this.

Senator Paul Coghlan: Frequently.

Senator Darragh O'Brien: Leave it at that.

Senator Maurice Cummins: We will leave it at that.

Senators Paul Coghlan, Cullinane and Healy Eames raised the sale of ESB and the €2 billion committed under privatisation in the IMF-EU deal. Major decisions had to be made and the Government is in the business of making decisions. The Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, has committed to come in to this House by the middle of October and there will be an opportunity for all Members to discuss the matters that they have raised in that connection with him by the middle of October.

I am sorry that Senator Byrne is disappointed that the fee will be €50, not €300, as many of his party colleagues have peddled during the summer months.

Senator Darragh O'Brien: A fee of €50 to start with.

Senator Maurice Cummins: Senator Mullen mentioned the service for translation of the Irish language. We will have in the House next week both Bills on the referendums on judges pay and Abbeylara. Both of them will finish in the House next week but there will be ample opportunity to discuss the matters that are there before us.

Senator Sheahan raised the question of removing the pollutants in phosphates from detergents, and so on. Whether that can be done, it is a good suggestion.

We had a good debate here yesterday with the Minister for Jobs, Enterprise and Innovation, Deputy Bruton. Jobs is the most pressing issue in the country. I am certainly disappointed that there were not more Members here asking questions and present during the two hour debate to listen to what the Minister had to say on jobs. However, we will continue to have questions and answers. It seems to be what Members want and it is the right way to go. However, I would like to see a little more enthusiasm from Members when we have future debates.

An Cathaoirleach: Senator Ó Clochartaigh has proposed an amendment to the Order of Business: "That statements on the imminent closure of the Meitheal Forbartha na Gaeltachta company in County Galway be taken today." Is the amendment being pressed?

Senator Trevor Ó Clochartaigh: Yes.

Amendment put.

The Seanad divided: Tá, 17; Níl, 26.

Tá

Barrett, Sean D.
Byrne, Thomas.
Cullinane, David.
Daly, Mark.
Leyden, Terry.
MacSharry, Marc.
Mullen, Rónán.
Norris, David.
Ó Clochartaigh, Trevor.

Ó Murchú, Labhrás.
O'Brien, Darragh.
Power, Averil.
Quinn, Feargal.
Reilly, Kathryn.
Walsh, Jim.
White, Mary M.
Wilson, Diarmuid.

Níl

Bacik, Ivana.
Bradford, Paul.
Brennan, Terry.
Clune, Deirdre.
Coghlan, Paul.
Comiskey, Michael.
Conway, Martin.
Cummins, Maurice.
D'Arcy, Jim.
D'Arcy, Michael.
Gilroy, John.
Harte, Jimmy.
Hayden, Aideen.

Healy Eames, Fidelma.
Heffernan, James.
Henry, Imelda.
Keane, Cáit.
Kelly, John.
Landy, Denis.
Mac Conghail, Fiach.
Moloney, Marie.
Mulcahy, Tony.
Mullins, Michael.
Noone, Catherine.
O'Neill, Pat.
Sheahan, Tom.

Tellers: Tá, Senators Trevor Ó Clochartaigh and Diarmuid Wilson; Níl, Senators Ivana Bacik and Paul Coghlan..

Amendment declared lost.

Amendment put.

The Seanad divided: Tá, 26; Níl, 18.

Tá

Bacik, Ivana.
Bradford, Paul.
Brennan, Terry.
Clune, Deirdre.
Coghlan, Paul.
Comiskey, Michael.
Conway, Martin.
Cummins, Maurice.
D'Arcy, Jim.
D'Arcy, Michael.
Gilroy, John.
Harte, Jimmy.
Hayden, Aideen.

Healy Eames, Fidelma.
Heffernan, James.
Henry, Imelda.
Keane, Cáit.
Kelly, John.
Landy, Denis.
Mac Conghail, Fiach.
Moloney, Marie.
Mulcahy, Tony.
Mullins, Michael.
Noone, Catherine.
O'Neill, Pat.
Sheahan, Tom.

Níl

Barrett, Sean D.
Byrne, Thomas.
Crown, John.
Cullinane, David.
Daly, Mark.

Leyden, Terry.
MacSharry, Marc.
Mullen, Rónán.
Norris, David.
O'Brien, Darragh.

Níl—*continued*

Ó Clochartaigh, Trevor.
Ó Murchú, Labhrás.
Power, Averil.
Quinn, Feargal.

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

Tellers: Tá, Senators Ivana Bacik and Paul Coghlan; Níl, Senators Marc MacSharry and Diarmuid Wilson.

Amendment declared carried.

Senator Diarmuid Wilson: Owing to the appalling persistent use of the guillotine in the House, I must call a walk-through vote under Standing Order 62.

Senator Paul Coghlan: We will refer the Senator to former Senator Donie Cassidy.

Question put: “That the Order of Business be agreed to.”

The Seanad divided: Tá, 26; Níl, 18.

Tá

Bacik, Ivana.
Bradford, Paul.
Brennan, Terry.
Clune, Deirdre.
Coghlan, Paul.
Comiskey, Michael.
Conway, Martin.
Cummins, Maurice.
D’Arcy, Jim.
D’Arcy, Michael.
Gilroy, John.
Harte, Jimmy.
Hayden, Aideen.

Healy Eames, Fidelma.
Heffernan, James.
Henry, Imelda.
Keane, Cáit.
Kelly, John.
Landy, Denis.
Mac Conghail, Fiach.
Moloney, Marie.
Mulcahy, Tony.
Mullins, Michael.
Noone, Catherine.
O’Neill, Pat.
Sheahan, Tom.

Níl

Barrett, Sean D.
Byrne, Thomas.
Crown, John.
Cullinane, David.
Daly, Mark.
Leyden, Terry.
MacSharry, Marc.
Mullen, Rónán.
Norris, David.

Ó Clochartaigh, Trevor.
Ó Murchú, Labhrás.
O’Brien, Darragh.
Power, Averil.
Quinn, Feargal.
Reilly, Kathryn.
Walsh, Jim.
White, Mary M.
Wilson, Diarmuid.

Tellers: Tá, Senators Ivana Bacik and Paul Coghlan; Níl, Senators Marc MacSharry and Diarmuid Wilson..

Question declared carried.

International Democracy Day: Motion

Senator Maurice Cummins: I move:

On International Democracy Day 2011, Seanad Éireann welcomes the successes of the recent movements for democracy across different countries internationally with the events

of the “Arab Spring”, and condemns attempts by repressive undemocratic regimes to suppress these movements.

Question put and agreed to.

Future of Local and Rural Transport: Statements

Minister of State at the Department of Transport, Tourism and Sport (Deputy Alan Kelly):

I thank the Chair for giving me the opportunity to address the House on the future of the rural transport programme. It does not seem that long since I was a Member of this House. Many Senators are passionate about this issue, as I am.

Coming from the village of Portroe, on the border of Tipperary and Clare, I know public transport is an issue. This is not just an urban issue but one that is very real for rural areas. Many people in rural areas have great difficulty accessing basic services owing to lack of access to transport. An EU survey of income and living conditions published by the Central Statistics Office in 2009 reported that 52% of households in rural Ireland had difficulties in accessing public transport compared with 11% in urban areas. Schemes such as the rural transport programme can and do transform life for those who benefit. A good public transport system is a necessary precondition for the development of a fully inclusive society in all its social and economic dimensions. Rural transport is a necessary component of such a system and can determine people's level of access to work, education and medical and social services together with access to family and friends. Essentially, it can be viewed as the cement that binds a rural community together and deals with such issues as isolation and access to social services.

The rural transport programme, of which many Senators are aware, was launched in February 2007 and it mainstreamed the former pilot rural transport initiative 2002-2006. It is being administered by Pobal on behalf of my Department. The primary objective of the RTP is to help address social exclusion in rural areas arising from unmet public transport needs and is operational in every county. Thirty six rural community transport groups throughout the country are being funded under the RTP and are maximising coverage in their operational areas, having regard to local transport service needs and the availability of resources.

Services are open to the public but older people and people with disabilities have formed the core customer base of the programme so far, with many of those living in remote and isolated rural areas. The rural transport programme was established to operate only in cases of market failure, that is, where other operators do not provide services on their own initiative. Services funded under the programme should complement and not compete with the existing public transport services provided either by CIE companies or by private transport operators. This is a core principle of the programme.

As the RTP is grounded in the principle of community self-help, the main drivers of community rural transport continue to be the local communities themselves. The bottom-up approach developed for the pilot rural transport initiative demonstrated the effectiveness of community and voluntary participation in the provision of rural transport services. The RTP continues to rely heavily on the work of local communities for its success and the level of voluntary effort and commitment involved has been acknowledged time and again, rightly so. Who knows better than local people the transport needs of their area and how best to address those needs? Government's role continues to be one of facilitator through financial and administrative support but communities themselves have the lead role.

The transport modes utilised by the individual RTP groups vary in accordance with the needs they are trying to address and can include buses, minibuses, taxis and private cars. While a

[Deputy Alan Kelly.]

small number of RTP groups provide some of their services with their own vehicles, most services are provided by private transport operators on a contract basis for individual RTP groups. These contracts are awarded following competitive tendering processes.

Funding for the pilot rural transport initiative and its successor, the rural transport programme, has increased significantly during the years, rising from €3 million in 2003 to €11 million in 2010. This funding has led to continuing increases in the level of services provided, rising from 40,000 services in 2003 to in excess of 171,000 services in 2010. The number of passenger journeys recorded on those services has also increased from 151,000 in 2003 to more than 1.4 million in 2010.

While it must be recognised that the increased levels of funding provided during the years has led to continuing increases in the level of services provided and the number of passenger journeys recorded, it must also be recognised that we now find ourselves in changed economic times. The financial resources available to Government are far more limited now. Nevertheless, €10.62 million has been allocated for the RTP in 2011 in a situation where other projects have had to be curtailed or postponed. This funding is being provided in recognition of the important role the RTP plays in combating rural isolation, particularly for the elderly, and should help to sustain on-the-ground services this year. The RTP also benefits from funding under the free travel scheme of the Department of Social Protection while some groups also benefit from local development funding from the former Department of Community, Equality and Gaeltacht Affairs. I am aware that additional funds are generated by a number of groups from their own resources.

I cannot emphasise enough the importance of achieving greater efficiencies in the administration costs associated with implementing the RTP, both the community group costs as well as Pobal's own costs, in order that as much as possible of the programme funding is concentrated on the provision of transport services. The achievement of greater efficiencies is vital in the face of the challenging fiscal climate facing the country.

There is also a wider context to consider when assessing rural transport. For instance, many people in rural areas are not able to access public transport services when school transport or other State funded transport services may be operational in their areas. This highlights a need to change the way we think about rural transport and to explore new ideas. In essence we need to think about rural transport in a broader integrated transport context. I am very dedicated to this.

Bus Éireann is a key provider of public transport throughout the regions, including the provision of a network of local and rural bus services. Benefiting from increased Exchequer moneys in the period 2001 to 2008, the number of local and regional services increased substantially. As a result of the downturn in the economy since and a resultant drop in passenger numbers, however, Bus Éireann has had to implement some service curtailments on poorly supported routes, as well as the reorganisation and restructuring of some bus services. Nevertheless, the company is looking at innovative ways of maintaining services to the greatest extent possible in a value for money way through network planning and better utilisation of resources. It is working with other stakeholders, including the RTP, in that regard.

It is also important to acknowledge that a number of private transport operators are also providing public transport services in rural areas. Many of these provide commercial services in their own right, a number provide contracted services to Bus Éireann and, as RTP contractors, many of them also make an important contribution to the success of the rural transport programme.

A number of policy documents highlight rural transport and the role it plays in our communities. The importance of linking local and rural transport is a recurring theme in these policy documents.

The programme for Government notes the importance of transport as being “vital for rural communities as a reliable and sustainable transport service”. It includes a commitment to “maintain and extend the rural transport programme with other local transport services as much as is practicable”. As the Minister of State responsible for this, I am dedicated to it.

Action 14 of the smarter travel policy commits to the following: offering a regular seven day week transport service for rural communities and those in smaller urban areas; examining the potential for the expanded use of school and other publicly funded buses as a local transport bus to bring people to a range of services with, in the case of school buses, the primary emphasis continuing to be on transporting children to and from school at the necessary times and; building on the good work at local level in developing the rural transport programme to expand the network in other ways, such as the provision of demand responsive services.

Public transport accessibility is being progressed in the context of Transport Access for All, the Department’s sectoral plan under the Disability Act 2005. Among other things, the plan sets out a series of policy objectives and targets for accessible public transport across all modes and it contains a significant section on the rural transport programme. An extensive review of the sectoral plan is under way with a public consultation phase due to close on 23 September next.

A number of other recently produced reports are also relevant. Among these are the rural transport network report, entitled Towards Integrated Rural Transport, the Citizens Information Board report, entitled Getting There — Transport and Access to Social Services, the Irish Rural Link-Comhar report, entitled Towards A Sustainable Rural Transport Policy, and the 2010 report on rural transport provision by the former Joint Committee on Arts, Sport, Tourism, Community, Rural and Gaeltacht Affairs.

A number of local integrated transport initiatives were undertaken between May and December 2009 in the north east and north west to explore the potential for improved synergies between existing transport providers. These initiatives involved Bus Éireann, the Health Service Executive in its capacity for providing transport to access health services, the then Department of Education and Science in respect of school transport services, Pobal in respect of rural transport programme services and the Irish Wheelchair Association. The projects were developed with a view to exploring how existing transport providers might make more effective use of their individual resources by working in closer co-operation with each other. The types of pilots included collect and connect type services, hospital feeder services, co-ordination of disability services, ticketing integration, co-ordinated information provision and journey planning, and increased synchronisation of partner systems and processes. These studies occur in a context where there is much similar work internationally, with the RTP groups able to draw on lessons learned in developing solutions that work in an Irish context.

Arising from the local integrated transport services, LITS, process it is clear that the future direction of rural transport needs to be part of wider integrated local transport services in the country. It is also clear that the delivery of a co-ordinated and integrated transport service should be further explored and developed. Work is proceeding in that regard and is a top priority of mine.

Some RTP groups are working at a local level with Bus Éireann, the HSE, FÁS, the VECs and a number of disability and voluntary organisations to improve transport synergies and the achievement of value for money. However, there is an onus on the new Government, as set out in the programme for Government, to explore all transport integration options in rural

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areas, including any possibilities presented by the school transport system, the HSE transport requirements, as well as rural transport services provided by Bus Éireann and private transport operators. The overall aim would be to reduce duplication and costs, while increasing efficiency and service provision. All stakeholders will have a role to play in this regard.

Like all other Government funded programmes, the rural transport programme will be considered in the context of the ongoing central review of expenditure which is endeavouring to identify savings. The programme has recently been the subject of a value for money and policy review undertaken in line with a commitment given at the launch of the programme in 2007. The review covered the period from 2002 to 2009, inclusive, and the essential elements of its terms of reference were to identify programme objectives; examine the continuing validity of these objectives and their compatibility with Government policy; define the programme outputs and identify the level, unit cost and trend of these outputs; examine the extent and effectiveness of the programme's objectives; quantify the level and trend of costs, staffing resources and income supporting the programme; evaluate the degree to which the objectives warrant the allocation of public funding on a continuing basis; and specify potential future performance indicators.

I have received a copy of the review report which, among other things, highlights the need to reduce certain costs, in particular administration costs, and emphasises the need to achieve efficiencies. Following consideration by the Government, we will publish the report and our response to the recommendations made therein, together with plans for the future of rural transport. Above all, we need to change the way we think around rural transport. There are several questions that need to be answered before this process is over and on which I would certainly take a cue from Members.

School buses often lie idle until 3 p.m. or 4 p.m. in many rural areas. Can we use them for other purposes, or interlink school transport and general transport services in order that the school bus would become part of a general public transport policy? How should the National Transport Authority be involved? While this will be a local and "bottom up" service, there is a lack of transport specific expertise in the rural transport programme. Can we use HSE transport more generally? As the organisation is primarily concerned with meeting medical needs, providing efficient transport is a secondary priority. In many cases, transport in a local area is arranged by a nurse or carer who is not someone trained to think about efficient transport. Should we be looking at developing transport hubs in our main towns? In many cases, buses of all kinds are travelling into the town centre and blocking traffic, when there may be plenty of publicly owned land adjacent to town centres or near rail lines that would also serve to meet this purpose. This might also create a greater discourse on the provision of more rural transport and public transport services in general.

Another question involves the local authorities and the role they may have in this. Rather than create new administrative structures, we can have a better transport system in rural areas that involves some liaison with local authorities, as they will best understand the transport and planning needs of rural communities and have the ability to link up with other State agencies and local authorities. The chief aim will be to take on board the lessons of the value for money review and incorporate them into a new plan that will build on and foster the current excellent community effort.

Senator Mark Daly: I welcome the Minister of State back to the House. It is his first time to be in the House since the recess and it is nice to have him back in the hot seat.

I am sure it was only a typographical error, but I fail to see any acknowledgement of the role of the last Government in setting up the system. Even though the then Minister, former

Deputy Noel Dempsey, came under much pressure last year, this vital service was retained. I am sure the Minister of State was attending meetings in his part of the country called by various organisations which mounted a co-ordinated and very successful campaign to have it retained. He has pointed to all of the services provided for people in an area in which there are no commercial services available and, without the intervention of the Government and the State, there would be no service and the people mentioned would be isolated.

The Minister of State raises a curious but valid question on school transport and the possibility of utilising some of the available capacity. His ministerial colleague, Deputy Cannon, also a former Senator, has been in charge of the school transport reorganisation and responsible for the cuts being implemented. The merger of the rural transport system and the school transport system should mean that, instead of cuts to the number of school bus routes in County Kerry, the buses that bring children to school could be used on the return journey to bring elderly people into town. Every day thousands of buses in rural areas return empty from schools. In many cases, they return to the depot in the local town. The diesel and the insurance are paid for, as is the tax on the vehicle, yet we have all these empty seats on buses every morning from Monday to Friday. When we speak about rural transport, we are talking about services in rural areas such as Portroe and Kenmare, possibly two days a week. At limited cost to the Exchequer and no cost to the school bus service, we would be able to transport thousands of people who are otherwise isolated for virtually eight or nine months of the year. Even if the school bus operator received €1 for every person brought to the nearest town, that would be money he or she would not otherwise receive. That could be paid by the passengers; therefore, there would be no cost to the State. It would just be a matter of merging the two in a more co-ordinated manner.

Perhaps the Minister of State and his ministerial colleague, Deputy Cannon, might get together and put an organised system in place. In some instances where school routes have been or are to be suspended this system might assist in maintaining school bus routes to small and rural schools. I commend the Minister of State for this joined-up thinking, which represents a step in the right direction. He also spoke about the services provided by the HSE, in respect of which we need the same co-ordination.

The Minister of State referred to administration costs which are large. There are opportunities to streamline the system and have other organisations involved. He also spoke about the councils being involved in running it, but I am not sure if that would be the right way to go. I know that councils have cut a lot of staff and are, therefore, severely understaffed in certain areas. I am not sure whether they have spare capacity as a result. However, other organisations, including community employment groups, are sometimes brought in to run rural transport services. We need to secure savings in the system rather than cutting routes. Keeping administrative support while cutting routes does not demonstrate joined up thinking and does not make sense. I do not envy the Minister of State's task in the weeks ahead because most Ministers are based in urban areas and are not aware of the value of rural transport. In 2009, when it was proposed to cut the rural transport scheme, the then Minister for Transport, Mr. Dempsey, attended a meeting at Kenmare at which people argued that Ministers from urban areas and the commuter belt did not have any concept of what the absence of rural transport services entails. They have taxis, the DART system and relatively punctual buses, whereas in areas such as south Kerry and north Tipperary the bus service, when there is one, may not run for all 12 months of the year.

I ask the Minister of State to examine the possibility of merging resources in the rural transport and school bus schemes. The Minister of State, Deputy Cannon, was able to plot routes where it would be possible for people in isolated areas to avail of a service. This would require advertising the service more widely. Existing routes and school transport services could

[Senator Mark Daly.]

be maintained and used by people who currently use rural transport services. While I accept this cannot be done in all areas because many buses will not return to the urban areas to which people want to travel, it is possible to expand the service at little cost to the Exchequer. Obviously, insurance and other factors would have to be considered.

I thank the Minister of State for coming before the House to outline his vision for rural transport. I hope he will work with the Minister of State, Deputy Cannon, and do battle at Cabinet level in the run-up to the budget. While I accept that there is no more low hanging fruit, that has been the case for two years. The rural transport scheme is vital and plays a valuable role in preventing rural isolation among the elderly and people living on their own. It must, therefore, be retained and Members on this side will support the Minister of State in fighting for it.

Senator Pat O'Neill: As the Fine Gael Party spokesperson on transport, I am pleased to welcome the Minister of State, Deputy Kelly, to the Upper House. I assure Senator Daly that urban based Fine Gael and Labour Party Ministers still have their finger on the pulse and will not ignore rural Ireland, unlike members of the previous Government who lost touch with people.

The Minister of State has a very difficult task on his hands in identifying ways to deliver better services with empty coffers. I have no doubt that he is up to the task. As a rural based Senator, I am acutely conscious of the importance of good rural transport. A State subsidised rural transport service not only helps to deliver some measure of equality between rural and urban areas but fulfils a vital service in combating rural isolation, which is a particular problem for the elderly. Not every older person is in a position to run a car and those who have been widowed or never married often live alone. A local bus service is a lifeline for such people.

A study published by the Society of St. Vincent de Paul this month reported that loneliness is the biggest problem faced by older people. The report referred to the importance of rural transport in addressing the sense of isolation often felt by older people. However, it is not just for social reasons that rural transport is of importance. A local bus service is essential for performing practical tasks such as visiting a doctor when one is unwell, going to the shops and buying fuel.

The local bus service in my area, which is known as “Ring a Link”, provides services to rural people in three counties — Kilkenny, Carlow and south Tipperary. The service provides buses which collect rural people at their door and bring them to their local town, village or train station. It is an important service which we must keep. In these difficult economic times I recognise that there is need for greater efficiency. One of the key factors that will make the Government different from its predecessors is that whereas the previous Government implemented swingeing, blunt cuts, the current Government approaches matters from the point of view of seeking to achieve systematic reform and efficiency. Rural transport services can undoubtedly be made more efficient.

I am conscious that the Government is providing funding to the tune of €10.62 million for the rural transport programme this year. Ring a Link is one of many services which operate under the rural transport network. I am sure not all rural transport services operate in a uniform manner and it is perhaps possible to identify best practice across all counties. A recent Central Statistics Office survey, which found that more than 50% of people in rural areas believed they did not have access to transport, shows that the rural transport network has not yet reached many people in rural Ireland, even in terms of making them aware of its existence. I acknowledge that some people in rural areas may have cultural barriers to overcome. For example,

those who are used to having an independent means of transport may hesitate to begin using a bus service. This is a challenge for the rural transport network to overcome.

I note from the Ring a Link service website that its services are open to everyone in the community. In some cases a modest charge applies while in others there is no charge for the service, including in the case of those who have free transport passes. More work needs to be done to promote this aspect of the service as awareness of it would increase use of the rural transport service and, in turn, help to keep the service viable.

The Fine Gael election manifesto included a commitment, where possible, to integrate school transport, non-emergency HSE transport and the rural transport programme. This idea has been embraced by the rural transport network which last month presented a plan to the Minister of State, Deputy Kelly, proposing a merger of existing public transport systems in rural areas, including the free travel pass, school transport scheme, non-ambulance transport from the Health Service Executive and other CIE systems. I welcome action 14 of the smarter travel policy and hope it will be implemented. The widespread use of taxis by agencies such as the HSE is a serious drain on limited local budgets. In a climate in which front line services must be prioritised and protected we must find efficiencies in areas such as transport.

There is an opportunity for cross-departmental co-operation on this issue. Each Department should identify how much of its budget is spent on transport and how transport services could be better integrated to serve the community. That the rural transport scheme was for many years under the Department formerly known as the Department of Community, Rural and Gaeltacht Affairs illustrates the difficulty the new Government faces and the approach that was typical of the previous Government which appeared intent on fracturing policy areas across as many Departments as possible, making a coherent approach almost impossible.

Fine Gael has long been committed to the concept of reliable and sustainable transport services for rural communities. As the party with the largest cohort of rural based Deputies and Senators, we are well informed about the importance of rural transport provision. The programme for Government reflects Fine Gael policy in the following statement:

The rural transport network is vital for rural communities as a reliable and sustainable transport service. We will maintain and extend the Rural Transport Programme with other local transport services as much as is practicable.

As the Fine Gael Party's spokesperson on transport in the Seanad, I look forward to working with the Minister of State to achieve this goal.

While roads are not within his immediate area of responsibility, the Minister of State works closely with the Minister for Transport, Tourism and Sport, Deputy Leo Varadkar. For this reason, I take this opportunity to address the issue of road funding, particularly in a rural context. As we all know, our smaller roads were damaged to an unbelievable extent during the past two harsh winters. Potholes became craters and many rural roads simply broke apart. The position was so bad that some roads became impassable. Unfortunately, a great deal of money was required to carry out repairs and inflated repair bills arrived at a bad time for the Exchequer. Fine Gael and the Labour Party gave a commitment in the programme for Government to provide once-off funding to repair the serious damage caused to roads by severe weather. I welcome the Minister's announcement that local authorities will receive an additional €1.25 million in funding for winter maintenance. However, leaving aside the particular and unusual circumstances which arose from the snow and ice of recent years, it remains essential that we continue to invest in smaller roads. I have no doubt that the reason many of our roads were so badly affected was that they had not been properly maintained in the first instance. Instead of being resurfaced, they were patched up here and there.

[Senator Pat O'Neill.]

As with rural transport, we must find a creative way to maintain our rural roads. “Infrastructure” is one of the buzzwords in the programme for Government. I hope rural Ireland is high on the agenda when decisions are being made on infrastructure investment.

As my party's spokesperson on transport, I am anxious to assist the Minister of State in any way I can. I am sure my colleagues feel the same way and have many useful ideas to put to him. I wish him every success in his role in the Department of Transport.

Senator James Heffernan: I wish to share time with Senators Moloney and Landy.

I welcome the Minister of State, Deputy Kelly, back to the House. He was once a Member, although he did not spend too long here. It is good to see him back in his capacity as Minister of State and I wish him the very best in that role. Coming from the predominantly rural constituency of north Tipperary, similar to my own, he is well aware of the issues and problems facing people who live in rural areas, especially that of isolation. The causes of rural isolation are varied, but much of it is down to the fact that we are becoming a lot less friendly towards our neighbours. In these recessionary times, it is good to see that people are going back to the old ways of visiting the people down the road, inquiring about them and looking after them. The rural transport initiative provides a lifeline for people such as these, especially those who are elderly, have disabilities or do not have a family to look after them. From that point of view, it has been, to an extent, a success. I will say that in recent years it has been a measured success.

I would like to bring some of the deficiencies in the rural transport initiative to the attention of the Minister of State. Every Thursday, without fail, as I would be on my way to work in Mitchelstown, I would collect an elderly woman who would be standing at the side of the road hitching a lift. She was all talk about the bus and this, that and the other. I asked her why she was not getting the bus up to town and she would say it went too late and came home too early. We are providing a service for these people, but how good that service is must be questioned. It gives people only a couple of hours to spend in town. Many of these people are elderly and have mobility problems and they need a bit of time to go around and do their business, get a bite to eat and so on before they return home. Issues such as this need ironing out.

The Minister said in his statement that funding of €10 million was allocated for the rural transport programme and that this was subject to a value for money review. When I looked briefly over a submission given by a rural transport organisation, I was shocked to see a map of Ireland showing around 36 groups that receive funding to operate the rural transport scheme in the various areas. Is this a case of too many cooks spoiling the broth? It is a good project, but I do not know whether we are delivering it in the most effective way possible.

According to the recent survey mentioned by Senator O'Neill, about 50% of people believe there is no transport in their areas, although, as Senator Daly pointed out, there are school buses, HSE buses and so on. The services are available, but are the people providing the services doing enough to advertise them and let people know they are available?

I support what the Minister of State is trying to do in delivering a more integrated service. As he said, the scheme that was operated in the north west has been a success. I urge us all to support the Minister of State in his aim of achieving a more integrated rural transport service.

Senator Marie Moloney: I welcome the Minister of State. Little did he think, a couple of years ago when he was a Member of this House, that he would be coming in here to face Senators who were looking for answers from him. I thank the Minister of State for the comprehensive report he has put before us today. I realise he has done a lot of work since he took up office and that he is very passionate about the issue. I am not going to go over all the things

that people have said. We all know how valuable rural transport is. Coming from a rural area, I am fully aware of the importance of rural transport, especially to the elderly, who avail of the service to collect their pensions or go to day care centres or active retirement groups. I ask the Minister of State to do his best at all times to maintain transport for the people concerned.

I had an issue with one part of the Minister's contribution, in which he said: "In many cases, transport in a local area is arranged by a nurse or carer, who is not someone trained to think about efficient transport." I disagree with this. People who are being transported to hospital for treatment would prefer to have efficient transport. The Minister of State knows this because he kindly met a deputation from the Kerry Cancer Support Group, which runs the Kerry Cork Health Link which takes patients suffering from cancer from Kerry to Cork for treatment, sometimes every day. For those who do not know about this service, it is provided by the cancer care group and funded completely through voluntary fund-raising. It does not receive a penny from the State, yet it transports full buses of patients up and down to Cork. Cork University Hospital organises appointment times for patients from Kerry around the Kerry Cork Health Link. This is a valuable service which saves the HSE a lot of money because the executive mainly provides transport in the form of taxis. I am hoping for co-operation between the Departments of Health and Social Protection with regard to allowing people to use the free travel pass on this service. I know the Department is mulling over this at the moment and I hope it comes back with a satisfactory response.

There is another issue I would like to raise, although it may not be under the remit of the Minister of State, but it is bugging the people. It is a simple thing, namely, the price of an adult ticket with Iarnród Éireann.

Acting Chairman (Senator Catherine Noone): The Senator will need to conclude quickly if she wishes to allow her colleague to share her time.

Senator Marie Moloney: I will be quick. The price of a return ticket from Kerry to Dublin or *vice versa* is €72, while a single ticket is €68.50. If we are serious about promoting tourism in this country and making public transport user-friendly, we need to address this issue straight-away because it is a disgrace and deters people from travelling. I know the tickets are cheaper online, but not all commuters have access to a computer when they are travelling, especially tourists.

Another issue is fines for the use of student tickets on trains. If a person is found travelling on a student ticket without a student travel pass, he or she is fined €200 plus the price of upgrading the ticket to a non-student ticket. However, the killer blow is that the ticket is confiscated from the person, which necessitates the purchase of another ticket in order that the person can return home. It is totally user unfriendly, so to speak. I ask the Minister of State to address this issue in his own time.

Senator Denis Landy: I welcome the Minister of State as a fellow Tipperary man, albeit one who is 90 miles from my location. There is hardly any transport service in rural Ireland as far as people are aware. That is part of the difficulty. We need to get the news of services out to people who want to use them.

The use of the rural transport scheme by schools seems to be *ad hoc*. In my local village, pupils at the school use the scheme, while in a village three miles away, no one uses it, although it is available. The benefit of this scheme for families that can afford only one car is that the mother or father or whoever is at home does not have to worry about getting children to and from school, and the fee is nominal. This service should be made almost compulsory.

[Senator Denis Landy.]

Currently, the scheme is run by Pobal. If the Minister has such figures, I ask him to state the administration costs of the services throughout the country. The area where I live is covered by the service that Senator O'Neill mentioned, which covers Carlow, Kilkenny and south Tipperary, but I am interested in the administration costs of all the services. Are we getting efficiency for the money being spent?

The biggest issue I bring to the Minister's attention is the role of local authorities in the rural transport programme. When it was rolled out in the early 2000s, many other councillors throughout the country and I argued that it should be run under the umbrella of the local authorities. We did that for several reasons. In my area, we have 26 councillors. Information about the scheme would be in every house in the constituency. People would be made aware of it, it would be properly used, and there would be some democratic accountability for the spend involved in it. It is run under the aegis of the Minister of State's Department, through Pobal, and there is no local involvement in it. I understand each Department is required to report to the Minister for the Environment, Community and Local Government before 12 September on services that can be devolved to local government. I respectfully suggest the Minister of State put the rural transport programme on the list. It is an ideal scheme for local government to administer. In whatever fashion that was agreed, it would be ideal for local authorities to have it as part of their remit.

The Minister of State asked for suggestions or proposals. I return to what Senator Daly said about school buses. They are often left idle from 9.30 a.m. until 4 p.m., yet parent councils are fundraising to provide buses for schools to take pupils to swimming pools, hurling matches, exhibitions and museums. We need some joined-up thinking in that regard.

My final point is on another area where joined-up thinking is required. Some of the shuttle train services that Iarnród Éireann provides stop at stations that are not in the centre of the places that people want to go to, and there is no public transport there to pick them up. I will give an example. There is a service a couple of times a day from Limerick junction, better known as Tipperary station, to Waterford. Plunkett station in Waterford is a mile and a half from the city centre and there is no transport link. People have to walk across the bridge and into the city. If it is a wet day, they will not do it again. We need some joined-up thinking.

I thank the Minister of State for coming in and I look forward to the outcome of this debate.

Senator Rónán Mullen: Ba bhreá liom an deis a ghabháil chun fáilte a chur roimh an Aire agus a rá cé chomh tábhachtach is atá an cheist seo. Is minic agus muid ag caint faoi na fadhbanna atá againn sa tír seo go leagtar an bhéim ar chursaí na gcathracha mar go mbíonn daoine ag iarraidh airgead a sparáil. Is minic a léirítear dí-mheas ar na riachtanaisí faoin tuath. Tá an-áthas orm, mar sin, gur luaigh an t-Aire, ag tús a oráide agus é ag caint faoi chúraí taistil poiblí, nach ceist na gcathracha nó ceist a bhaineann le bailtí é seo amháin ach ceist atá fíor thábhachtach ó thaobh na tuaithe de.

I am glad the Minister of State began by stressing that public transport is not just an urban issue but a real one for rural areas as well. I have had considerable contact with people who have made the point that the rural transport programme has made a significant difference. Because of its flexibility, arrangements can be made to meet needs in particular situations.

I take the opportunity to draw the Minister's attention to the pre-budget submission that Irish Rural Link made recently, in which it points out that a key benefit of the rural transport programme is its role in combating rural isolation. When we consider the issue, we should focus on the isolation felt by older people in rural areas, who are less able to rely on local family networks and support systems. That is precisely where the value of the rural transport prog-

ramme can be seen. It relies on and encourages community involvement, and community groups play a key role in the delivery and affordability of the programme because it has that co-operative dimension.

I understand the rural transport programme accounts for about 1.5 million passengers annually, and it achieves that while functioning with less than 1.2 per cent of the total annual spend on public transport. There is a strong case to be made for not just continuing it but expanding it. If we are serious about it, we should consider Irish Rural Link's recommendation that rural transport services across the board, including Bus Éireann and school transport services, should be more integrated. In that way, we can hope for a better reputation for rural transport and also for more efficiency. Obviously, one is linked to the other.

The rapid increase in urbanisation and the failure of decentralisation should not deter us from supporting and encouraging rural life. I know that the Minister of State is sympathetic to this, given where he comes from. Outside of the obvious welfare issues involved, again focusing on our older citizens, it makes little sense to pin so much of our future economic aspirations on agrifood if we ignore the communities where the sector flourishes. It is an area where we often hear phrases such as "joined-up thinking", but they cannot be avoided when one is considering an issue such as this.

Tá a fhios agam go bhfuil sé deacair ar an Rialtas ag an am áirithe seo agus go bhfuil ceisteanna deacra le freagairt maidir le caiteachas airgid. Ach chomh fada is a bhaineann sé le leas an phobail caithfimid díriú isteach agus an clár seo faoi thaistil tuaithe a lárnú agus a bhuanú.

Senator Terry Brennan: Much of what I intended to say has been said. I support what three or four of my colleagues said about the time between 9.30 a.m. and 3 p.m. or 4 p.m. I take my grandchildren to a secondary school in a rural area and I see what happens there. The four or five buses that go to the school — full, thankfully — do a good job, but I would like to see greater efficiency in the use of school buses and there is an opportunity in that regard. The best motorway in the country goes through the rural part of my constituency, and through Meath and Dublin. There are some issues involving heavy goods vehicles that I intended to take up with the Minister today because they affect rural transport. An example is what happens when a heavy goods vehicle joins a motorway in a rural area where buses are going to schools. There can be problems when vehicles cannot make room because they are not allowed to move over to the outer lane. That is a safety issue, but perhaps we should take it up in another forum.

On the point about making better use of school buses, we also need to consider the drivers. In some cases, bus owners do the driving themselves, but in most cases seven or eight drivers are employed and they are tied up between 9.30 a.m. and 3 p.m. or 4 p.m. so they could not do anything else. We should consider the bus routes between schools and towns to determine what we can do for rural, and in many instances isolated, populations that do not have transport or any other way of going into town. The Minister of State is aware that some of the less economic routes have been withdrawn by Bus Éireann and private providers. One cannot expect them to provide such routes, but we could make better use of the return journeys of school transport services.

Senator Trevor Ó Clochartaigh: Fearaim céad fáilte roimh an Aire. Is iontach an rud go bhfuil na comhráití seo ar siúl inniu faoin ábhar seo mar is ábhar an-tábhachtach é. Mar dhuine a chaith roinnt blianta ar bhord Bealach, an clár taistil tuaithe i gConamara, tá tuiscint agam ar na ceisteanna seo. Tá siad an-tábhachtach agus tá sé fíor-thábhachtach go mbéadh muid á bplé i gcomhthéacs níos leithne.

[Senator Trevor Ó Clochartaigh.]

I welcome the Minister of State. As someone who has spent a number of years on the board of Bealach, the Connemara rural transport initiative, I understand many of the issues he has raised and agree with much of what he is trying to do. However, this debate must be taken in a broader context, as it has to do with accessibility to areas rather than just the rural transport programme.

In recent years there have been serious cutbacks in, for example, the HSE's transport system for bringing people to hospitals. School transport services were cut recently. As Senator Brennan alluded, Bus Éireann's services in rural areas are also being cut. I do not have sympathy for Bus Éireann, which used a model that was unfair to people living in rural areas to reduce their services based on what the company would call economic arguments. As Senator Moloney mentioned, the cost of travelling on those services was sometimes prohibitive. Neither did the timetabling of the services suit people who wanted to use them. Sinn Féin will fight against any cutbacks in rural transport services provided by Bus Éireann or others, since transport is just as much the right of people in a rural area as it is of people in an urban area, in that people have a right to get around the area.

The broader context incorporates connectivity. When the board of Bealach tried to discuss a timetabling change with Bus Éireann, we always ran into a brick wall. In many cases, ministerial permission was required to change a timetable. For example, city services experienced this problem. Trying to get from my area of Carna in the back of Connemara to Dublin can be a nightmare. I experienced it two days ago when I tried to travel from Leinster House to Letterfrack. I was fine until I hit Galway city, but trying to get through the city and the rest of the journey was a nightmare. Successive Governments have failed to create a public transport system with sufficient connectivity to allow people to enter and leave rural areas, probably because the system is scattered across various agencies and Departments. I welcome the Government's initiative to try to connect some of these services.

I am disappointed the Government did not take this opportunity to increase funding for rural transport. It is imperative that services be increased. While I was on the board of Bealach, we were lean, mean and very keen. The Minister of State referred to the cost of servicing the scheme. If one is considering cutting back and making efficiencies, I hope this is not done at local level which was efficient and tight in its administration. I am unsure whether there is fat further up the system. If there is, I am sure the Minister of State will address it.

Bealach was always inundated with applications and we never had enough money to service every group that required it. I am not just referring to older people, but also to young people attending sports events and youth clubs and to people who were travelling between villages and trying to connect with other services.

The last cut saw a reduction from €11 million to €10.62 million. The difference equates to half the pension recently paid to a senior civil servant. How many could have been serviced through the use of that money or an even larger sum? We are told repeatedly that we must make cutbacks and tighten our belts. The Government is tightening its belt in some respects but not in others, and it is unfair that this money is not being spent on rural transport and the like.

When we tried to integrate local services, we encountered a number of issues that have not been mentioned. Buses travel the same routes at the same times servicing various people attending disability services, school, work and so on, but insurance and child protection become issues when one tries to get people to travel on the same buses. When we tried to integrate services and get people to travel on the same buses, we found that safety issues arose where people with disability travel with members of the general public. A minder would also be

required to travel with the disabled person. There are related insurance issues. I am sure this matter needs to be raised with the industry. I agree with the Minister of State that if a number of buses travel on the same route, we should try to integrate the services to avoid duplication.

We should consider the Scottish example. The Royal Mail married its transport and postal system so that postmen in many of Scotland's rural areas deliver the post and provide bus services. Since we should shore up our postal service, especially in rural areas, considering a Scottish-style service might help.

Investment in infrastructure is an issue. A part of our problem is the time required to go from A to B in rural areas. In Connemara, for example, the N59 needs to be upgraded. We also need a new road from Galway city to Screeb if people are to get from rural areas into the city and onwards. We need the outer bypass of Galway city so that people can travel beyond. I am sure similar issues exist in every rural area. Sadly, we do not have this type of connectivity.

Other elements are important. For example, the needs of the people with a disability was an issue raised recently with me. In many cases, Bus Éireann must leave people on the side of the road, for example, the Galway-Carraroe road, because it does not have wheelchair accessible buses available. People in rural south Connemara who are disabled do not have access to Bus Éireann's buses because we do not have footpaths. This is a serious issue for them.

We must connect with the offshore islands. For example, a disabled person cannot travel from Inishmore. Under the previous Minister, approximately €10 million was spent on installing pontoons at Rossaveel, but they were never disability-proofed to ensure wheelchair access. That access can only be provided at certain times. Much needs to be considered. The boat services that connect the islands with bus services and, subsequently, rail services must be examined. Members of the Minister of State's party in Galway would be progressive in terms of the Gluas initiative, that is, a Luas system for Galway city to take cars off the roads. We support this initiative, but such connectivity is required across all Departments.

We must also consider the traffic chaos in Galway city. Last week, the poor members of Fine Gael suffered that chaos. They will appreciate how difficult it is to get through the city when money is not being invested in necessary infrastructure.

Mar fhocal scoir, bheinn ag rá go bhfuilimid ag tacú, i bprionsabal, go mbéadh comh-órdú idir na seirbhísí ar fad. Ach caithfimid breathnú ar an rud seo go huilíoch. Caithfimid breathnú ar na seirbhísí bus agus traenach. Níor luamar West on Track, an ráille traenach nó an gá atá le seirbhís traenach ón iar-thuaisceart go dtí an iar-dheisceart agus le dé-bhealach — nó dual carriageway — a dhul ón iar-thuaisceart go dtí an iar-dheisceart. Ní gá go mbéadh gach rud ag teacht amach as Baile Átha Cliath amháin. Ba cheart go mbéadh muid in ann taisteal suas agus aníos chósta an iarthair chomh tapaídh céanna agus chomh héifeachtach céanna. All these services connect with each other. We need the Government to take all of this on board. Despite our being in times of fiscal restraint, rural transport should not be cut back. Rather I believe more money should be put into it.

Senator Michael Mullins: I welcome the Minister of State and wish him well in his new role. He is off to a good start.

It is encouraging to note that rural transport is given particular significance in the programme for Government. I served on the board of Galway Rural Development which operates a number of rural transport schemes throughout south-east and north Galway. Those schemes are particularly useful and valuable to communities. They operate in the peripheral parts of the county and are of particular benefit and use to the elderly given that they operate mainly on Fridays. I would be concerned if any attempt were made to curtail any of these schemes.

[Senator Michael Mullins.]

I wish to raise with the Minister of State the matter of a train service in another rural community. The Minister of State may have had some discussions on this matter with representatives of the people of Woodlawn. While the westbound service in the morning is good, the eastbound service has been seriously eroded during the years. Currently, the only eastbound train servicing Woodlawn on weekdays is at 5.35 a.m. There is then a ten hour gap before the next train. This situation is ludicrous as all Galway-Dublin trains have to pass through Woodlawn. While many of the trains actually stop at Woodlawn and wait for the westbound train to pass, frustratingly, they cannot accommodate passengers at Woodlawn.

Iarnród Éireann has referred to the fact that Woodlawn is a small rural community, but it has ignored the fact that it services a large hinterland. The infrastructure is in place and there is an opportunity to provide a better service. I am aware issues such as scheduling are involved. A couple of years ago a significant investment was made at the railway station in Ballinasloe, at which point it was intended the trains would cross. However, for some reason that particular facility is not operational and the trains are crossing at Woodlawn, which has only one platform and is where the difficulty arises. As we are discussing rural transport, I ask that the Minister of State take this issue on board and have further discussions in that regard with Iarnród Éireann. It is hoped that when the next round of timetabling takes place, it would be possible to schedule an extra stop at Woodlawn. Most people who board the train at Woodlawn would be going to Dublin for hospital appointments, and leaving at 5.35 a.m. is too early. We need a service somewhere between 7 a.m. and 9 a.m.

I appreciate the opportunity to raise that issue with the Minister of State. I support the retention and development of rural transport services generally.

Acting Chairman (Senator Terry Leyden): I welcome the Minister of State, Deputy Kelly, who has returned to us via the European Parliament.

Minister of State at the Department of Transport, Tourism and Sport (Deputy Alan Kelly): I went on a detour for a couple of years.

Acting Chairman (Senator Terry Leyden): The Minister of State is very welcome back.

Deputy Alan Kelly: Thank you.

I thank Senators for their comments and questions. When previously a Member of this House, I told myself that if I ever got the opportunity to hold the position of Minister or Minister of State, I would always endeavour to answer as directly and fairly as possible any questions put to me. I will endeavour to do so today.

I will try to respond to questions in the order they were asked. I appreciate Senator Daly's comments of support in regard to the changes needed in the integrated approach. I am well aware of his hinterland given my other half comes from that direction. I support the need to retain services. Services will be retained. I am dedicated to the provision of rural services; it is in my DNA. I am working closely with the Minister of State, Deputy Cannon, on the matter of school transport. We are looking at better ways of integrating services into the future to ensure the provision of better and extra services.

My address at the national conference of the RTPI this year was my first public address as Minister of State. I told the RTPI I would be supportive of its requirements but that it had to come with me in regard to introducing the various changes that needed to be made in relation to future services. There is, in terms of service provision throughout the country, no such thing as best practice. One size does not fit all. What might work in Tipperary might not work in

Donegal or Galway. While in some areas there are train and bus services, there are none in others. What might work in one part of the county in which Senator Landy lives might not necessarily work in the other part where I live. We are both from the same county. What is needed is customisation and a plan to co-ordinate that customisation. That is my role.

Senator O'Neill referred to Ring a Link, of which I am very supportive. I have met it and it has done good work. As the Senator stated, we face challenges in terms of the comprehensive spending review. This area, like every other, will have to come through that process. I am confident we will retain funding in respect of rural transport services. However, it is not appropriate for me to predetermine the outcome of that process. I am confident the Government will look favourably upon rural services and the requirement for same. There are enough people in Government from rural Ireland who are well aware of the requirements of rural Ireland. Some of them are members of the Cabinet and others hold Minister of State portfolios.

The issue of roads was also raised. With the Minister, Deputy Varadkar, other colleagues and I are considering the introduction of a winter plan for the forthcoming winter. While funding in terms of roads is important, we must also be organised. We want to ensure we are in a position to meet some of the problems that may arise from what is predicted to be a harsh winter. Senator Heffernan told us about an elderly lady to whom he regularly gave a lift to Mitchelstown. That is an example of what needs to be addressed. There are possibly buses that are not, from a scheduling point of view, meeting their requirement. It is also possible that other services operated by other transport providers may be going the same route. The road to Mitchelstown is a fairly direct route. The issue will need to be addressed to meet the lady's requirements.

I agree with the comments in regard to comprehensive coverage. I looked at the same map and the manner in which the services are provided. We will need to examine administration costs. There are different volumes of administration costs depending on the area one is looking at. On Senator Landy's question, the costs vary depending on the scheme. Some are high and others are, to be fair, low. I argue that those for which costs are low also tend to be the ones that are efficient. All of this will have to be examined.

Senator Moloney quoted from my contribution. I was referring in that regard to the fact that the focus should be on what one did well and that one should be facilitated by others to ensure there could be better transport services. That is where I was coming from.

Great reference was made to the Kerry cancer transport service and I have met its representatives. They provide a phenomenal service and, overall, there is a phenomenal rural transport service in County Kerry. I hope to meet its participants in the coming weeks.

The issue of ticket prices was raised and I will take it up with Iarnród Éireann. I have spoken on the topic before, but I will take it up again, especially with regard to variations in single and return tickets. I take on board the comments relating to student fares and will speak to representatives of Iarnród Éireann in that regard.

Senator Landy made an important comment with regard to the publicity surrounding many services and I have referred to the issue. There should be greater co-ordination of services and there should be greater co-ordination in rural areas in publicising what is available. I know from my own experience that many people were not aware of services until I brought them to their attention. We must address the issue as public transport must become a greater option in people's lives. I made similar comments to Senator Landy about local authorities, which have a greater role to play. I have taken the issue on board. The future of the rural transport programme and the provision of one-off services, school transport, match services and other outings could be brought into the debate.

[Deputy Alan Kelly.]

Senator Mullen mentioned Irish Rural Link, an organisation of which I am very supportive. I take on board and welcome the Senator's comments on school transport.

Senator Brennan commented, like all Senators, on the school bus system. That is welcome. If the sample of opinion in the House is anything to go by, there is a mood for change in the manner in which the system is managed with regard to a co-ordinated role with other services within my remit. I am encouraged by this.

Senator Ó Clochartaigh gave a very reasonable contribution until he argued that more money should be put into the process. I genuinely do not know where the Senator believes the money can come from in this and other areas given our current position, which came about as a result of the decisions of previous Administrations. The Senator's party voted for the biggest of these decisions. I accept the Senator's detailed knowledge of his own area and, clearly, he has given much thought to it. He had some reasonable suggestions. He spoke about accessibility. If there are specific areas concerning accessibility to any public transport service, Senators should not hesitate to bring them to my attention. I will certainly act if they are a cause for concern.

I agree that insurance must be considered with regard to any changes and the issue must be tackled. I made a wry grin when the Senator referred to the example of change in Scotland where the postman also drives a bus. It would take much time to get the post around rural Ireland at that rate.

Senator Trevor Ó Clochartaigh: It works and it is a very efficient service.

Deputy Alan Kelly: I do not doubt it. I can imagine in my own area that man would be on the one run for a week. I have met the people in Woodlawn and will raise the highlighted issue. I understand exactly where they are coming from. There is an issue relating to timetabling and I will revert on the issue. Changing a timetable takes some time and there is a domino effect with consequences along the line.

When we speak about the future of rural transport, I ask that Senators consider it not in the context of what existed but where we must go in the future. I hope there will be a good amount of funding to supply services and the House will work towards providing an integrated transport policy for this country. That will require a change in thinking and how we use school and health service transport. It will also require the help of voluntary groups, Bus Éireann, Iarnród Éireann, taxis and hackneys in rural areas. The programme will provide services where there is a requirement. It will provide the cement to bring together many services, although one size will not fit all. There will be administration costs and some interconnectivity with local authorities in order that we can have proper planning. Transport hubs will be based in rural areas so people can enjoy public transport with better knowledge.

That is the future of rural transport. It is greater than the rural transport programme, although I am supportive of that initiative. This is about a different vision and achieving more with less administration and greater integration. That is where I hope to go. Much work has been done but I appreciate the Senators' comments. I will take all of them on board and hope the Senators will support my plans and that of the Government in providing better services for rural Ireland.

Acting Chairman (Senator Terry Leyden): On behalf of the House, I thank the Minister of State for his comprehensive response and addressing the issues raised. I wish him well.

Senator Denis Landy: On a point of order, is the Seanad adjourning now?

Acting Chairman (Senator Terry Leyden): I understand we will move to consider the Insurance Bill. There was no break proposed on the Order of Business.

Senator Trevor Ó Clochartaigh: Could I propose an amendment to the Order of Business?

Acting Chairman (Senator Terry Leyden): No, it is not within our remit to change it.

Senator Trevor Ó Clochartaigh: I thought I could try in any case.

Senator Denis Landy: Will the Acting Chairman clarify the procedure?

Acting Chairman (Senator Terry Leyden): The Minister should be along presently. If he is delayed, we can suspend the sitting, with the permission of the Leader of the House.

Senator Maurice Cummins: The Minister will be here in a minute or two.

Insurance (Amendment) Bill 2011: Order for Second Stage

Bill entitled an Act to amend the Insurance Act 1964 and the Insurance Act 1989 to provide for contributions to and payments from the insurance compensation fund and for related matters.

Senator Maurice Cummins: I move: “That Second Stage be taken now.”

Question put and agreed to.

Insurance (Amendment) Bill 2011: Second Stage

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

Minister for Finance (Deputy Michael Noonan): I welcome the opportunity to address Seanad Éireann on the Insurance (Amendment) Bill 2011 which was published on Tuesday, 13 September. Owing to changes in EU law dealing with the non-life insurance sector since the fund was last used, it was necessary to get legal advice on the existing legislation. The Attorney General advised that our existing legislation was not compatible with EU law and should be amended. In that light, the Bill proposes to amend the Insurance Act 1964 to change the scope of the insurance compensation fund, ICF, from one which covers the risks of policyholders of Irish authorised insurance companies to one which covers all insured risk in the State, except for specific excluded risks. The effect of this is that, except for specified excluded risks, all insurance policies taken out in relation to risks in the State come within the remit of the scheme. Insured risks outside the State are no longer covered by the scheme, where an insurance company is being liquidated.

I will outline also the main reason for having the matter addressed speedily by the Oireachtas. The joint administrators of Quinn Insurance Limited hope to conclude the sale of the company to Liberty Mutual Direct Insurance Company Limited, a joint venture between Liberty Mutual and Anglo Irish Bank, on 4 October and they are to report to the High Court that day to give effect to this. One of the key requirements which will have to be demonstrated to the court by the joint administrators is that there is a commitment in place from me, as Minister for Finance, to advance the necessary funds to the ICF in response to a request from the Central Bank. There is €40 million in the fund and the joint administrators have informed the bank that more is required. It is important that all these elements are in order in order that the remaining elements of the deal can be completed and sale be finalised. This will complete an important milestone in the administration process, which will see the sale of Quinn

[Deputy Michael Noonan.]

Insurance Limited completed and ensure the future of the workforce is secure. Senators will recall that more than 1,600 jobs are at stake.

The Bill comprises ten sections, the main elements of which are set out as follows. Section 1 is the definition section. The purpose of this provision is to acknowledge that the principal Act is the Insurance Act 1964.

Section 2 is an amendment of the definitions section of the principal Act. The purpose of this provision is to introduce a number of new definitions to section 1 of the Insurance Act 1964 and update the existing definitions for “authorisation”, “policy” and “insurer”. These will allow the scope of the scheme to be extended to cover all insured risk in the State, except for specific excluded risks. The excluded risks include health insurance mainly because a large proportion of the market, namely, VHI, is outside the scope of the current ICF legislation. Similarly, life insurance is not covered by the existing scheme. There is also a definition for “insurer authorised in another member state” as this is required under the new scheme since such insurers can operate in the Irish market on a branch basis or on a freedom of service basis and policyholders of these companies are brought into the scheme in relation to risk in the State.

Section 3 is an amendment of section 2 of the principal Act relating to the insurance compensation fund. This is a technical provision and its purpose is to make a number of minor cross-referencing changes to section 2 of the Insurance Act 1964, consequential on the amendments made in this Bill.

Section 4 relates to payments out of the fund in respect of an insolvent insurer. The purpose of this provision is to replace section 3 of the Insurance Act 1964 and introduce three new sections: 3A — application by a liquidator of an insolvent insurer; 3B — application where insurer in liquidation is insurer authorised in another member state; and 3C — payments out of fund where an administrator is appointed. These provisions are designed to facilitate payments out of the fund to policyholders in relation to risks in the State where an Irish authorised or an EU authorised insurer goes into liquidation and the approval of the High Court has been obtained for such payments.

Section 3 provides context for sections 3A and 3B and sets out the limitations to the payments which can be made from the fund. These limitations replicate what is contained in the existing legislation, the most important of which is that the payment from the fund under a policy shall not exceed 65% of that sum or €825,000, whichever is the less, in the event of payments being made to policyholders after the liquidation of an insurer. Under the new scheme policyholders will be covered by the fund in respect of “risks in the State.” The principal factors which will determine whether a risk is a “risk in the State” will be whether insured buildings are located in the State, whether insured vehicles are registered in the State, in the case of short-term travel insurance whether the insurance was taken out in the State and in most other cases whether the habitual residence of the policyholder is in the State or, in the case of legal persons, whether the establishment of the policyholder is in the State.

Section 3A provides for the liquidator to make payments from the fund to policyholders of Irish authorised firms and that the accountant of the High Court shall, as respects the amount paid out of the fund, be a creditor of the insurer. Section 3B provides that if an insurance undertaking in another member state goes into liquidation and policyholders in relation to risk in the State are affected, that the accountant of the High Court can make an application to the High Court on their behalf and can distribute any sums due to such policyholders.

Section 3C provides for the continuation of the administration provision as set out in the Insurance Act 1964, but prospectively intends confining the availability of funding from the

ICF to firms under administration which conduct a large percentage of their overall business in Ireland, that being 70% averaged over the three years before the appointment of the administrator. Companies under administration will continue to operate under the existing scheme as is provided for in section 9. Senators should know that I intend to propose one Committee Stage technical amendment for this section.

The purpose of section 5 is to repeal section 4 of the Insurance Act 1964, which the Office of the Attorney General has advised is obsolete as it relates to a specific insolvency in 1964, namely the Equitable Insurance Company Limited. This provision allowed the Minister for Finance to provide a grant of £30,000 to the fund out of moneys provided by the Houses of the Oireachtas under section 3 of the existing legislation to go to the liquidator of Equitable Insurance Company Limited. As this matter was resolved a long time ago, this provision is no longer necessary.

Section 6 is an amendment of section 5 of the principal Act relating to advances to the fund by the Minister. This is a technical amendment. The purpose of the provision is to make a cross-referencing change to section 5 of the Insurance Act 1964, consequential on the amendments made in section 4 of the Bill.

The purpose of section 7 is to replace section 6 of the Insurance Act 1964. The section sets out the conditions for levying insurance companies in relation to the ICF. The provision sets out a number of elements. First, the Central Bank continues to be responsible for assessing the fund from time to time to see if it needs financial support. In addition, the Central Bank determines the levy to be placed on insurers where funding is required and notifies them. Second, the Minister for Finance is provided with a power to appoint a collector to collect the levy, who will pass the levy to the ICF. The collector will inform the Central Bank where no payment is made. Third, the Central Bank will continue to be responsible for enforcement in the event of non-payment of the levy. Fourth, the levy is required to be reviewed regularly and, fifth, all insurance companies will be levied in respect of risks in the State under the new scheme. This contrasts with the existing scheme under which only Irish authorised insurers are levied, but in that scheme they are levied in respect of risks inside or outside the State.

Section 8 repeals section 31 — the compensation insurance fund — of the Insurance Act 1989 and is a technical amendment. The purpose of this provision is to repeal section 31 of the Insurance Act 1989, which made amendments to section 3 of the 1964 Act. These amendments are now obsolete as they are superseded by section 4 of the Bill.

Section 9 concerns saving. The purpose of this provision is to provide a saving mechanism and to ensure any liquidations or administrations commenced before the Bill comes into effect will continue to be subject to the old rules. This is the standard convention that a company under administration is protected under the rules that applied when the company went into administration. The effect of this is to ensure that Quinn Insurance Limited remains under administration as if this Bill had not been introduced.

The purpose of section 10 is to provide for the Short Title of the Bill.

Senator Thomas Byrne: On a point of order, in the light of the urgency of this legislation — I protested against the fact that all Stages are being taken today in the Seanad — more Members should be present and, therefore, I call a quorum.

Notice taken that 12 Members were not present; House counted and 12 Members being present,

Deputy Michael Noonan: I would like to deal with the background to the Bill and elaborate on the main reasons for it. This has arisen as a result of the announcement of the sale of Quinn

[Deputy Michael Noonan.]

Insurance Limited to Liberty Mutual Direct Insurance Company Limited, LMDI, on 28 April. At the time the joint administrators indicated that Quinn Insurance Limited had suffered losses of €905 million in 2009 due largely to operating losses in the UK market and a write down in the value of assets, particularly in regard to the company's investment in Quinn Property Holdings. Further related losses in 2010 are expected to be €160 million. They also indicated that there was likely to be a call on the insurance compensation fund in the region of €600 million. In recent weeks the joint administrators have revised this figure upwards to €720 million. The main reason for this is an increase in the outstanding claims reserve which was required after the finalisation of the 2010 actuarial review by Quinn Insurance Limited's actuaries.

It should be noted that given the nature of claims reserves and the inherent uncertainty surrounding the ultimate claims costs, the joint administrators say it is not possible to state with certainty what the final call on the fund will be until all claims have been discharged which could take up to ten years. However, in the interests of prudence, they are obliged to make a conservative provision of what the future claims could be.

As Minister for Finance, I was becoming concerned about what seemed like an expanding call on the insurance compensation fund. In that light, I asked the State Claims Agency, which has specialist skills in the area of claims management and reserving, to undertake a review of the processes at Quinn Insurance Limited and, in particular, have a look at the claims management process. My concern was that because the company was in administration and, therefore, was eligible for funding from the insurance compensation fund that there might be an a more relaxed attitude about being sufficiently robust when dealing with the settlement and payment of claims and that this could be part of the reason for the increasing size of the call upon the fund. This was a very important point to establish as, ultimately, it is policyholders who will pay for any shortfall. I wanted to make sure that the appropriate systems and processes were sufficiently wholesome to ensure the call on the fund is kept to an absolute minimum.

The State Claims Agency has almost completed its review and in its interim report has reassured me that the claims management process is operating effectively. It indicated that reserving had improved considerably since the joint administrators took over the running of the business but there was potential for improvement in some other areas. In summary, it considered the increased call on the fund, as a result of various actuarial reserving reviews, was appropriate.

It indicated that reserving had improved considerably since the joint administrators had taken over the running of the business but that there was potential for improvement in other areas. In summary, the agency considered the increased call on the fund, as a result of various actuarial reserving reviews, was appropriate.

Once the joint administrators had indicated that there was a likely to be a significant call on the ICF, the Central Bank was required, under section 6(2) of the Insurance Act 1964, to assess the financial well-being of the fund to advise me as Minister for Finance, under section 5(1), whether I needed to advance money to the fund. At the time of the sales announcement in April the joint administrators had indicated that there was likely to be a call of €600 million on the ICF. On 25 May, on the basis of information supplied by the joint administrators, the bank advised that of this amount, there was likely to be a shortfall of approximately €173 million for 2011, meaning money would need to be advanced this year. This was based on a requirement by the administrators of €203 million and the fact that there was €30 million in the fund at the time. However, as I said, the administrators subsequently revised their overall call to €720 million and some €320 million will be required this year. As there is €40 million

in the fund, I will need to advance €280 million in early October. I have made an appropriate provision for this.

It is important to keep in mind that any advance by the Exchequer to the fund will be classified as a financial transaction and as such, is not seen as expenditure and, therefore, does not affect the general government deficit and our targets under the EU-IMF framework. An appropriate market rate of interest will be applied to this advance which means it will marginally improve the GGB.

Currently, under the Insurance Act 1964, all policyholders of Irish authorised firms are covered by the ICF, whether they are located in Ireland or other EU member states. The legislation also provides that all such companies are required to be levied whenever there are insufficient funds in the ICF to meet a particular demand such as the Quinn Insurance Limited deficit. However, because of changes in EU law since the fund was last used, it was necessary to get legal advice on the application of the ICF levy. In particular, Article 46 of the third non-life insurance directive — 92/49/EEC — precludes a member state from applying an indirect tax or parafiscal charge on insurance risks outside of its jurisdiction; therefore, the 1964 Act was in contravention of this provision. My Department sought legal advice from the Attorney General on this issue and she concluded that if a levy was applied on insurance companies on risks outside the State in the context of an administration or a liquidation, this would appear to infringe Article 46.2 of the directive. In the light of this, she concluded that a levy could only be applied in respect of those risks located in Ireland. A consequence of this is that we cannot apply the ICF levy to international risks; therefore, our legislation must be changed to reflect this position, thus explaining the amendments being made in this Bill to Article 6 of the 1964 Insurance Act.

I have also been advised to amend the scheme such that, as far as possible, risks outside the State are no longer covered by the fund. Failure to do this could result in Irish policyholders having to fund a deficit resulting from the failure of an Irish authorised insurance company which conducts the bulk or all of its business outside the State. This change is reflected in the amendments being made to section 3 of the 1964 Insurance Act.

I have decided to use this legislative opportunity to broaden the scope of the ICF to cover all insured risks in the State. This will protect policyholders in this country who take out cover with companies authorised in other EU member states and which are not covered by the existing scheme. Another benefit of this approach is that it means that all policies in relation to risks in the State, aside from excluded risks, can be levied for the ICF. This is important because it means that the revenue base for the levy is secured and, therefore, even if existing subsidiaries convert to branches, they will still be required to pay it on their policies and it prevents branches and freedom of service business from having a competitive advantage over domestically authorised firms.

I have decided for the moment to exclude health insurance from the scope of the scheme because the main player in the market, VHI, is outside the current ICF legislation. In addition, I have a concern about placing an additional 2% on health insurance premiums at a time when there has been a significant increase in the number of people not renewing their policies because of the difficult economic climate.

It should be noted that I propose to maintain the administration provision as set out in the Insurance Act 1964 but prospectively intend confining the availability of funding from the ICF to firms under administration which conduct a large percentage of their overall business in Ireland, that being, as I said previously, 70% averaged over the three years before the appointment of an administrator. The purpose of the restriction is to prevent Irish policyholders being burdened with paying for the administration of an insurance business which conducts all or the

[Deputy Michael Noonan.]

bulk of its business outside the State in circumstances where it is not possible to levy the premiums of foreign policyholders because of Article 46 of the third non-life directive.

The European Commission, on both the competition and Internal Market sides, is aware of our legislative proposal and has no objection to it. Directorate General Internal Market has, however, indicated that, whenever the insurance guarantee directive is approved, our legislation will have to be amended to reflect the new position. It is likely that this will be in a minimum of three to four years time and will be the same for all other member states.

I remind Senators about the reform taking place in the financial regulatory environment in Ireland. They will already be aware that a number of changes have been made to respond to the regulatory failures of the financial crisis and bring our system into line with international best practice. The Central Bank Reform Act 2010 created a unitary Central Bank with responsibility for prudential regulation, financial stability and consumer protection. The Act also introduced a fitness and probity regime for those working in positions of influence in the financial sector, including specific standards for those working in the insurance industry.

As part of the EU-IMF programme, the Government has published the Central Bank (Supervision and Enforcement) Bill 2011 which enhances the Central Bank's regulatory powers, drawing on the lessons of the recent past in Ireland and abroad. The Bill strengthens the ability of the Central Bank to impose and supervise compliance with regulatory requirements and undertake timely prudential interventions. It will provide the bank with greater access to information and analysis and underpin the credible enforcement of Irish financial services legislation in line with international best practice. The Bill has been welcomed in the formal European Central Bank opinion issued in recent days.

With regard to the regulation of the insurance market specifically, a number of developments in the past 18 months to strengthen the regulation of the sector have taken place. The Central Bank has indicated that its staff resources in the insurance area have increased significantly from less than 50 to just over 100 people. An authorised officer regime which allows the bank to appoint outside experts such as actuaries to go in and investigate a company on its behalf has been introduced. The obligation of the Central Bank to promote financial services has been removed.

Senators should also bear in mind developments to strengthen regulation of the insurance sector at an international level. The forthcoming EU solvency II directive represents the first stage of a major transformation of the way the industry will be regulated. The most essential features of the framework directive are the introduction of an economic risk-based approach to the measurement of assets and liabilities and a much greater focus on qualitative issues such as governance and the role of the supervisor. Capital requirements will be determined by an evaluation of a company's level of risk using a consistent set of measurement principles, resulting in an appropriate level of capital for solvency purposes. These changes will impact on all companies in the insurance sector and are likely to take effect from 2014.

While the Bill is technical in nature, its main purpose is to ensure our domestic legislation is compatible with the third non-life as advised by the Attorney General. I commend the Bill to the Seanad.

Acting Chairman (Senator Paul Coghlan): I thank the Minister and welcome him to the House.

Senator Thomas Byrne: Gabhaim buíochas don Aire as teacht isteach sa Seanad inniu. Tá an-tábhacht ag baint le hAire atá chomh gnóthach leis an Aire Airgeadais ag teacht isteach anseo. Cuireann sin in iúl cé chomh tábhachtach agus atá an Bille seo.

I want to protest, in the most emphatic terms, that all Stages of this legislation are being taken today. If the Seanad is to become a rubber-stamp exercise, let us admit that and say it is just a rubber stamp exercise and that we will all go home, but if the Seanad is to have any role in the future, having regard to the referendum whenever it will take place, this should not be simply a foregone conclusion. It is up to the Seanad, particularly the Leader and the Deputy Leader, to advocate the cause of the Seanad to ensure Fine Gael and the Labour Party adhere to their commitment not to use the guillotine. While use of the guillotine is appropriate in certain circumstances, it is not appropriate to publish legislation on a Monday or a Tuesday, offer us a briefing on it the following day, which in fairness we got, and then pass all Stages of it on the following day. That is completely unacceptable. I urge Fine Gael and the Labour Party to advocate this within their parties and ask their parties, party leadership and Whips to stick to what they told the people prior to the general election about Dáil and Seanad reform. That is very important.

Having said that, this legislation is extremely important. It is another huge imposition on the people, one that certainly cannot be laid at the foot of this or the previous Government. This relates to the activities of a very small number of people, some of whom are still categorised as heroes in this country. I do not believe they are heroes and never did. When I stood up for the workers of Quinn Insurance, I certainly did not stand up for any particular individual, like many of its misguided workers did. It was a scandal of enormous proportions for which the people will pay directly in their insurance premiums.

While we all welcome the sale of the company to Liberty and are delighted that many jobs are being saved, it is a scandal that this particular episode has caused the closure of the Quinn centre in Navan. It is a beautiful building suitable for any type of good business. Any multinational would be ideally suited there. The centre is closed, empty and has no purpose now. That can be all laid at the door of a very small number of individuals who thought they knew more than anyone else in this country. They thought they could gamble millions and win and make themselves even richer than they were already. Anything they may have done in their own communities is irrelevant when one sees the hurt that has been caused throughout the country and the reputational damage, in particular.

I was delighted when Matthew Elderfield, in his early days in office, took action to protect policyholders and consumers. I was delighted to fully support his action while many others in the then Opposition criticised him and said what he was doing to the Quinn business was shocking as it was a viable business. We see the facts now in front of us and are all agreed it is a scandal and a disgrace. However, we are where we are, to use that most unfortunate phrase coined in recent years. I am not sure what purpose is served by us opposing this legislation, although we have concerns about it. We have not had time to finalise our position on it in the light of the very short notice we received of its introduction. It may well be the case that my Dáil colleagues will adopt a modified or different position. I hope that will be understood in terms of the position we are in and the very short notice that was given of its introduction.

I would like to know from the Minister when these matters arose. This issue has been on the agenda for quite some time. It seems we have not been complying with European law for some time. Why is this coming before the Seanad now? We know there is a sale to be completed in a month's time but why was this matter not addressed in a more thoughtful way in early summer or late spring? I have outlined who I believe to be responsible for this. This is just another imposition on people, another charge that people have to pay when they are really strapped for cash already. There seems to be charges coming at them from all directions.

We on this side obtained a good deal of documentation under freedom of information requests, which certainly clarified the position for us. We saw evidence of the Department of

[Senator Thomas Byrne.]

Social Protection opposing the decision or advising against it. We saw the same advice being given by the Pensions Board. We saw e-mails from lobbyists for the insurance industry looking for pensioners to be cut directly rather than, as the Taoiseach said, to be taken off the fees attached to the pension funds. Is that type documentation available here on the pros and cons of this? Are there any arguments against it? Are there any other ways out? The Minister has gone into this in some detail, but he will understand that when we saw documentation we got under FOI requests we were more questioning of it than we were previously.

A number of brief issues arise. The Minister read a short sentence about the €280 million that he will have to lodge in October. I have some understanding of the rules covering the deficit. If he has to lodge that amount, from where will it be obtained? From what account will he get the €280 million given that we are strapped for cash? I assume that the levy will not have yielded that amount by then. The Minister has said he has made appropriate provision for it and I wonder how will he simply magic that up? I am sure there is some rational answer to this.

The provision in regard to the failure of an Irish authorised company operating abroad is very important. I am glad that has been introduced. I wonder why that has not been done previously and the Minister might enlighten us on it. Was there a failure or was it not spotted? It seems to be a major issue.

I do not know if it is considered a problem but in regard to travel insurance obtained from companies abroad, it strikes me that many citizens may take out travel insurance from foreign owned companies. Are their protections lessened or are there sufficient protections in place? I am not trying to make a political point on this, I simply want to know the answer to that. Has it been considered?

I welcome the Minister's exclusion in regard to health insurance. It is a very volatile area. The pressure is moving from the insurance companies to the individuals and the State when the individuals come off health insurance. That measure will be welcome. It will make some difference to families and it certainly will not disincentivise them any more but obviously this area is a minefield. The Government has its own proposals in regard to health and insurance reform in that sector. We would like to see that debate moving on.

I will not oppose this legislation. Any of the votes or quorums we call will be purely on a procedural basis, but my Dáil colleagues reserve the right to bring forward amendments or to modify our position whenever this legislation comes before the Dáil. I will leave that to them. I would appreciate if the Minister could answer the queries I have about the legislation.

Senator Michael D'Arcy: My colleague, Senator Byrne, always amazes me in terms of how short his memory is. His memory was short about the previous Financial Regulator, Mr. Patrick Neary, the guy who was in office for years who was appointed by the previous Governments, who did not do his job.

Senator Thomas Byrne: We appointed Matthew Elderfield.

Senator Michael D'Arcy: The reason we are in this position is there was no regulation. The former regulator was freewheeling and business was conducted as the company saw fit. As the Senator will note, the 2009 figures for Quinn Insurance show a loss of €905 million, there was a loss of €160 million in 2010 and the loss for 2011 is as yet unknown. That is why we are here. That is why we are passing legislation. That is why we have to deal with the matter at hand.

As one of the primary cheerleaders in the other Chamber, all you were missing was the mini-skirt and the pom-poms——

Senator Thomas Byrne: I was the cheerleader for Matthew Elderfield when the Senator's Dáil colleagues at the time were criticising and castigating him in the local newspapers. I stood up for him.

Senator Michael D'Arcy: As a cheerleader for the previous Government, the Senator stood up for it on national radio and television time and again.

Acting Chairman (Senator Paul Coughlan): Remarks must be addressed through the Chair. No interruptions, please.

Senator Michael D'Arcy: As I said, Senator Byrne was a primary cheerleader for the previous Government in the other Chamber.

We are here as a result of €280 million being required for the insurance compensation fund. Capitalism in Ireland is unique; when a company makes a profit, it pays corporation tax and the dividend is paid, in whatever form, to the directors or shareholders, but when it makes a loss, it is the State that is required to step in and underwrite it.

We are here simply because there will be a request for a number of years for an amount of money in the region of €720 million. I ask the Minister if the State Claims Agency has examined this issue. It would be prudent that it examine it. I am hopeful €720 million is the maximum figure and that there will not be a need for more funds to be provided. People the length and breadth of the country are stretched and it is appalling that the Exchequer must provide this funding following a request from the Central Bank. However, we appear to have no other option but to provide it.

The moneys are to be recouped by way of a 2% levy on the insurance industry which does business in the State. This is not the first time we have been in this position. It happened previously in the 1980s following the collapse of the PMPA. We know the figures and the reason we are here. While it is stated in section 7(4) that the levy is to be reviewed regularly, it is hoped there will be a point at which it will cease to apply and that it will not become an income gathering exercise. I have not had time to go through the legislation in detail, but I presume it is stated somewhere that there will be a point at which the levy will cease. I would like to think this is a once-off requirement and that we will not have to revisit the issue. I accept that we cannot predict what will happen years from now, let alone decades from now, but we have been in this position before following the collapse of the PMPA. Quinn Insurance has all but collapsed with the loss of many jobs in Navan. However, it continues to employ 1,600 people. I agree with Senator Byrne that the regulator has done a good job. He stepped in and has remained strong in the face of opposition and done the right thing. Doing the right thing is not always easy, but it is what must be done.

The significant section of the Bill is section 7 which deals with contributions to the fund. However, the Minister might provide the House with more detail on sections 1 to 5, inclusive. I would also like more detail on the role of the Central Bank in this regard. It is stated it will continue to be responsible for assessing the fund and that it will determine the levy to be placed on insurers when funding is required. Will a levy of 2% be enough? Can the figure be reduced to 1%? Can those paying insurance and expected to pay the levy be told when it will cease to apply?

The Bill states the Minister has the power to appoint a collector of the levy which will be passed to the ICF. Who is the collector likely to be? How will he or she be selected? Will the Minister receive a list of names from the regulator or the Central Bank?

The Bill also states the Central Bank will have responsibility in respect of the non-payment of the levy. Perhaps we might also receive more detail on this point.

[Senator Michael D'Arcy.]

It is stated in the Bill that the levy will be reviewed regularly. Will a date be set for its cessation?

I welcome that Voluntary Health Insurance will not be subject to the levy, as the cost of health insurance has increased a great deal. A further levy of 2% on top of these increases would be difficult for consumers. Given their financial circumstances, many are unable to meet their VHI contributions and opting out.

Near the end of his contribution the Minister touched on the Central Bank supervision and enforcement Bill. We are in this position because of a lack of checks and balances as a result of political interference by senior people. A former Taoiseach did not encourage oversight or regulation and was Reaganist in his views as regards those who should have been doing a far better job than they were doing. I, therefore, look forward to the introduction of the Central Bank supervision and enforcement Bill. We must ensure those in charge have the powers and authority they need to ensure these mistakes are not repeated. The Minister has stated the number of staff in the Central Bank from 50 to 100. Will 100 people to deal with an industry of this size be sufficient?

I welcome the appointment of authorised officers to investigate a company on behalf of the Central Bank. Of benefit has been the decision made by the previous Government to seek expertise outside the State. Such persons will not know the individuals concerned and will thus ensure there will be no return to the old boys' club practice often to be found in the State. To date, Mr. Elderfield has proved to be a good example of a person with expertise from outside the State who doing a good job here. I do not wish to decry the work being done by suitably qualified individuals within the country, but, unfortunately, this is a small country and too many people in certain sectors know each other, be it in the insurance industry and so on.

While I welcome the Bill, I would much prefer if we did not have to introduce it. I am sure the Minister would prefer if the Exchequer did not have to provide this amount of money to the ICF, but we have no other option. I look forward to hearing his response.

Senator Jimmy Harte: I welcome the Minister and thank him for outlining the up-to-date position.

I set up my insurance brokerage firm almost 30 years ago. Any insurance broker operating in the country could have predicted this day would come following the entry of Quinn Insurance into the market. When it entered the market, it massively undercut other insurance businesses. An example would be a shop which might have been quoted a figure of €3,000 by Aviva, Hibernian or FBD and was subsequently quoted a figure of €1,000 by Quinn Insurance. There is a saying one can price oneself out of the market at the top end. Quinn Insurance was pricing itself out of the market at the bottom end and the regulator was aware of this.

Senator Byrne can defend the previous Government, but the dogs in the street knew what Quinn Insurance was doing. Insurance brokers or agents would when asked tell one that they did not know how Quinn Insurance was doing it.

Senator Thomas Byrne: The Senator should raise his concerns with the bank or the regulator.

Acting Chairman (Senator Paul Coughlan): Senator Harte to continue, without interruption, please.

Senator Jimmy Harte: We did, and with several other bodies. Ordinary people on the street were wondering how Quinn Insurance could do business at a figure one quarter of what massive companies such as Hibernian Insurance, Norwich Union and Axa, companies which have been

in business for 200 or 300 years and experienced two world wars and depressions, were offering. They could not match it.

One of the reasons the compensation fund is in place is that there is a need to bail out the Quinn Insurance Group in respect of its property holdings. The accountants for Quinn Insurance Group have a lot to answer for. When ordinary small businesses get into such trouble, they do not have the Government on which to fall back. However, the taxpayer has been underwriting Quinn Insurance for years. The chickens have now come home to roost and we do not have any choice. I regret this because the people who are paying for it are those who are paying house and motor insurance, which are necessities, not luxury goods. People can choose not to go on a holiday and not to take out travel insurance but one cannot afford not to take out house or motor insurance. Mr. Quinn and the regulator knew exactly what they were at and Mr. Quinn decided to dabble in the UK market without due diligence. He had a company, Quinn Life, but I am not sure if it is still operating. The web page for it makes it clear that the value of one's investments may go up as well as down. Obviously, Mr. Quinn did not read this.

Mr. Quinn, who was the head of an organisation, had many friends throughout the country who advised him to think outside the box which is another name for breaking the regulations. The same happened with the banks. The buzzwords coming from America were to think outside the box, which basically meant to break the rules and we would all be better off. At the end of the day, we the citizens are paying for Seán Quinn's foolhardy notions of grandeur. This is a deficit of almost €1 billion which, added to the €3 billion that Mr. Quinn has cost the taxpayer through Anglo Irish Bank, amounts to a total of €4 billion to be picked up by the taxpayer. That amount of money would run a small country. This was a man who stated on television that he gambled €2 playing 25 on a Monday night, yet he did not read his own company's website or listen to the regulator or the regulator did not tell him what he should be doing. I realise this debate has to be guillotined and we do not have a choice. It would be great if we could walk away and say that somebody else or Europe will pick up the tab. We do not have that choice.

Senator Thomas Byrne: That is not about the use of the guillotine.

Acting Chairman (Senator Paul Coghlan): There will no be use of the guillotine on Second Stage. This is an open-ended debate. Senator Harte to continue, without interruption.

Senator Jimmy Harte: I am not an advocate for the use of the guillotine, but we do not have a choice today. I recognise who should be guillotined, but that is another day's work. We have to move on from this situation. Perhaps the country will learn in future how regulation should be done. As an insurance broker during the years, I know the hoops and jumps that we and others in smaller businesses have had to take in regard to regulation. Many knew this was happening. Eighteen year olds came along to my office and said they could obtain insurance for €600, while the cheapest on the market was €2,000. A red light was flashing, but the regulator was happy to say it was good for the punter that the market was seeing cheaper insurance. They did not see cheaper insurance but more expensive insurance, which is what is happening today, and a compensation fund of €70 million per year. It will be like PMPA. It will go on and on and there will be no end to it. The bottom line is that the Irish taxpayer is funding a lifestyle that Seán Quinn and his company have set up because they felt they were the squire in the manor and could take whatever they wanted and someone would pay for it. It is a sad day when we have to do that. I support the amendment.

Minister for Finance (Deputy Michael Noonan): I thank the Senators who contributed to the debate on the Bill. I am not seeking to use the guillotine. The request was to take all Stage in the House together. The time pressure on us arises from the fact that the Liberty group will conclude the purchase of the Quinn Group on 4 October. It has to go to the High Court on 4 October where certain questions will be asked. One of the principal questions will be whether it is in a position to cover claims. We all know what the insurance business is about. We all have to pay for insurance for the car and the house and we are familiar with how it works. A prudent insurance company and a solvent insurance company must provide for claims. One pays the premium, but the claims do not arise for years. When the administrator examined the Quinn books, sufficient provision had not been made for claims. That is why we are here today proposing a levy to cover claims in the system and claims that may arise in the future from persons who are covered in respect of, principally, their motor vehicles or their property by the Quinn Insurance Group.

I thank all the Senators who contributed. Certainly, I can understand Senator Thomas Byrne's dissatisfaction that the Bill is going through in one day. There is pressure to meet the 4 October deadline and I have to get it through all Stages in the House and it has to be signed by the President. It is very important, with more than 1,600 people working in Quinn Insurance and so many policyholders who, if the levy is not paid into the fund, will not have the wherewithal to meet their claims. This is an essential piece of work.

The legislation was difficult. Senator Byrne and others may recall much lobbying in the early summer, not from the Quinn Group, although it was lobbying, but from foreign insurance companies in the country. Insurance directives in Europe are complex and when we started to explore what legislation was necessary, we took advice from Europe. In the first instance, the advice we got was not full advice. It appeared at that stage that the levy would have to apply to any insurance policies written in Ireland, even if written for citizens in France or Germany. Regardless of where the risk was in Europe, it appeared as if we would have to levy everything. Members may recall large companies such as Zurich and others in the market saying they could not be levied on their French and German businesses because they were not Irish risk. It appeared that large companies would move out of Ireland, particularly out of the financial services area, because a levy would be applied which, on the face of it, looked unfair but over which we had no discretion because this appeared to be what the insurance directives were saying. This was the initial advice we received from Europe.

The Attorney General explored the advice and subsequently we found there were later amendments to the directive which allowed us to cover insurance risk written in and for Ireland, as I have described, and to exempt from the levy risk written in Ireland but for abroad. It had the effect of ensuring all those jobs in the insurance business in Ireland, specifically those attached to the financial services industry, were secure and would not be affected in any way by the imposition of the levy. By the time we had sorted all that out, we were moving towards the recess and could not bring in the legislation before the summer.

We now have a straight piece of legislation over which we can stand. It is not ideal. I would have preferred it had the Senator got the Bill a fortnight ago to peruse it and we had the Stages on different days, but this was the hand of cards we were dealt and we are doing the best we can with it. I agree it is not ideal and it is not going to be a practice. It is just that on this legislation we were forced into this position.

Senator Byrne asked where the money is coming from that the State is advancing. We are advancing €280 million into the fund because there is only €40 million in it. The annual levy of 2% will come in over the calendar year. I will advance the money from the central fund,

provision for which has been made, and we will make provision for it in 2012. The money that is going into the fund will be covered by the levy subsequently. The European Audit Office says this is not expenditure but a financial transaction because money is being put in and replaced subsequently in order that it will not kick into the deficit. It is as though it is ring-fenced for that arrangement. As for the levy, we think it will work out over ten years, but it may be shorter or longer.

Senator D'Arcy, in a good contribution, asked how the levy would operate. The Central Bank is the adjudicator of whether moneys are necessary and how much. It is of the view that a 2% levy, which is the maximum under the 1964 Act, is required. However, if the claims were front-loaded and the Central Bank was of the view that they were reducing to a trickle, it could reduce the levy to, say, 1%. It is something that will have to be adjusted in the future. However, according to the administrators, we need more than €700 million. Senators can work that out over a period.

The State Claims Agency is satisfied, and has satisfied me as Minister, that the amount of money being sought now is prudent and that it is not a case of settling lightly with other people's money. We are happy with this. We were concerned because it started at a lower sum and began to creep up, so we decided to have it independently assessed. We are pretty satisfied now, in general terms, with what is happening.

I think it was Senator Byrne, or perhaps Senator D'Arcy, who asked about travel insurance. If a travel insurance policy covers a period of less than four months, it is covered by the scheme as long as the person has taken out the policy in the State, even if it is from a foreign-authorised company. Thus, if an Irish person takes out a policy in Ireland, regardless of whether the company that writes the policy is foreign or domestic, there is a four-month cover period under the scheme as proposed.

As for the collector of the levy, I presume it will be collected by the Revenue Commissioners in the normal way and passed on to the insurance compensation fund.

Senator D'Arcy asked whether 100 staff in the Central Bank were sufficient for regulating the insurance industry. That is the Central Bank's estimate of what is efficient, but it has supplemented that by adopting the power to bring in people such as actuaries or accountants from outside during periodic peak times in which it needs a particular skill. It is certainly the case that regulation has been improved dramatically.

Senator Harte has a great deal of experience in the insurance industry as he has worked as a broker. What he said about the Quinn Group was the common conversation, particularly if one met people in the insurance business. That was counteracted by the claims of the Quinn Group that there was a new business model that had dispensed with many of the overheads of traditional insurance. Nothing was ever proved until the new regulator intervened and the Quinn Group subsequently went down.

Before I sit down I should deplore the intimidation of administrative staff at Quinn Insurance that has taken place recently, perpetrated by persons unknown, although one might have a shrewd idea who they are. It took great efforts, a great deal of negotiation and the good will of an American insurance company, whose managing director was a man from Armagh who realised the importance of insurance jobs on both sides of the Border, to save the company. Much effort went into securing Quinn Insurance and ensuring it will continue as an insurance company which will grow rather than decline — that is its business plan — and that the claims of people who have taken out insurance with Quinn Insurance will be covered. More than 1,600 jobs are secure, all the way down to Blanchardstown — it is not just in the Border

[Deputy Michael Noonan.]

counties. It is deplorable that people who seem to have no great interest in the jobs of the workers would seek to intimidate workers in the way they did. There is always a risk, when one has foreign investors, that when extra-legal activities are indulged in, it will upset them. I do not want to sit down without saying that, because those actions were deplorable. I wish the Garda every success in pursuing the perpetrators.

The total call on the fund is likely to be €720 million in all. It is estimated that the levy, based on current gross premium figures, will raise €65 million per year. As there is €40 million available already, we are looking at a ten-year timeframe. We hope that, as the economy grows and expands, the premium book will also grow, in order that in five years' time significantly more than €65 million will be raised. However, that is difficult to estimate. My note states it may take up to 11 years to work our way through this. Any increase in the level of gross premiums during the period will mean that the amount can be paid more quickly, but there is no promise that this will happen under the Bill. We will be advised by the Central Bank, which is, under the law, authorised to advise on whether the fund is adequate, and we will proceed on that basis.

I thank the three Senators who contributed and thank the House for facilitating me thus far at the end of Second Stage.

Question put and agreed to.

Insurance (Amendment) Bill 2011: Committee and Remaining Stages

Sections 1 to 3, inclusive, agreed to.

SECTION 4

Government amendment No. 1:

In page 8, to delete lines 49 to 54 and in page 9, to delete lines 1 to 21 and substitute the following:

3B.—(1) Where an insolvent insurer authorised in another Member State in respect of which a person has been appointed who performs, in the other Member State concerned, the functions that a liquidator would perform in the State if the insolvent insurer authorised in another Member State were an insurer, and there is an amount payable to one or more persons under section 3, then--

(a) the Accountant may, from time to time but not more frequently than once in every 6 month period, apply to the High Court for approvals under that section in respect of those persons, and

(b) the amount of the reasonable and proper costs and expenses of the application to the High Court under that section shall be paid out of the Fund.

(2) Where an amount is paid out of the Fund under section 3 to the Accountant in respect of a sum due under a policy issued by the insurer authorised in another Member State—

(a) the Accountant shall pay the amount in respect of the sum due to the person in respect of whom it is due, and

(b) the Accountant shall, as respects the amounts paid out of the Fund, be a creditor of the insurer authorised in another Member State.”.

Minister for Finance (Deputy Michael Noonan): It is proposed to amend sections 3B(1) and 3B(2). This amendment provides that where the insurer concerned is in an equivalent of liquidation in another member state, the accountant of the insurance compensation fund, who manages the fund on behalf of the High Court, can apply on behalf of the persons concerned for payment to be made once in every six months. The limitation on the frequency of applications is included to ensure that excessive legal costs are not imposed on the fund and to enable claims to be made in respect of a number of policy holders at a time rather than in respect of each policyholder individually.

Senators will note the inclusion of paragraph (b) in subsection (2) of the amended text. This is a technical amendment. The purpose of the amendment is to ensure the accountant of the High Court receives a payment from the fund for the cost of any application to the insurance compensation fund that he or she makes to the High Court on behalf of policy holders of insurance companies authorised outside the State, whether the application is successful. The Bill, as drafted, allows for payments of costs only when the application has been successful.

Subsection (2) as amended provides that where an amount is paid out of the fund under subsection (3), the accountant will pay over the amount due to the person concerned, and the fund and the accountant will be a creditor of the insurance company concerned in respect of the amount paid over. I commend this technical amendment to the House.

Senator Thomas Byrne: I will not comment on the substance of the amendment because, given the time allowed, I have not had time to read it, but I accept the Minister's explanation. Nevertheless, when we are rushing legislation through the House like this and there is an amendment several days after legislation was published, it makes one wonder whether there is anything else there, although I hope not. We should not rush these things. My colleagues in the Dáil may have further amendments to table to the legislation.

Amendment agreed to.

Section 4, as amended, agreed to.

Sections 5 to 10, inclusive, agreed to.

Question proposed: "That the Title be the Title to the Bill."

Senator Thomas Byrne: I acknowledge the Oireachtas Library and Research Service which produced a brief on the Bill in a short time. Its work is important. It amplifies the point that introducing legislation quickly puts pressure on it, too.

Deputy Michael Noonan: I thank all Senators who contributed to the debate on the Bill and all those who attended. I thank them for facilitating the passage of the Bill.

Question put and agreed to.

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

Acting Chairman (Senator Paul Coghlan): When is it proposed to sit again?

Senator Michael D'Arcy: On Tuesday, 20 September at 2.30 p.m.

Sitting suspended at 2.55 p.m. and resumed at 3.30 p.m.

Sitting suspended.

Adjournment Matters

Planning Issues

Senator Thomas Byrne: I thank the Cathaoirleach for allowing me to raise this matter. It is a complex issue which has had serious consequences for Meath County Council and local authorities throughout the country. It must be addressed by the Government to ensure it cannot happen again although fault does not lie with the Government. In 2006 Meath County Council sought to sell some land in Ashbourne zoned C1 which meant it could be used to provide for and facilitate mixed residential and business uses. As part of the sale, Meath County Council produced a brochure outlining the piece of land concerned. Included in the brochure was a commitment to construct a distributor road within the confines of the existing site. The road was to link the site of the Ashbourne town centre development, thus maximising the potential of the site. Eventually Darlington Properties bought the site from Meath County Council under the proviso that the distributor road would be built. Meath County Council admitted in various correspondence that the road would enhance potential. In fact, without the distributor road planning permission would have been difficult to achieve.

Prior to May 2007 representatives of Darlington Properties visited the site and noted construction work taking place on the site where the road was due to be built. It turns out that Meath County Council gave planning permission to another company subsequent to the planning permission granted to Darlington Properties. It obviously caused difficulties for Darlington Properties and the matter ended up in the High Court. In the case brought by Darlington properties, a judgment of more than €4 million was awarded against the county council. This matter is obviously of serious concern to the citizens, elected members and all the staff of Meath County Council. Mr. Justice Kelly was not very polite in his judgment in the High Court, to say the least.

A report has been made by a former county manager, Mr. John Quinlivan, and another individual which made a series of recommendations. I would like to know the view of the Minister on them, in terms of how they relate to the rest of the country. I would like the Minister to comment in particular on the fact that Meath County Council will not accept all the recommendations, in particular the decision of the manager not to assume full executive responsibility for planning matters. I would like to know what the Minister proposes to do in the future.

When county councils and local authorities make serious errors of judgment or mistakes, elected members seem to lack the ability to challenge them because they are afraid if they say anything to officials, jobs may not be done in their electoral areas or there might be some fallout. I thank the Minister for coming to the House.

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): I thank the Senator for raising this important matter. I am aware of the background to the High Court case regarding property in County Meath to which he alluded. The Department of the Environment, Community and Local Government recently received the report into the matter which was made on behalf of Meath County Council by Mr. Gerry Kearney, a former Secretary General of the Department of Community, Rural and Gaeltacht Affairs, and Mr. John Quinlivan, a former county manager in Louth.

I was very concerned when I learned of this case, which involved a significant financial judgment of some €4 million against Meath County Council. I understand the council will appeal the size of the award to the Supreme Court. I welcome the report into the matters which gave rise to the court case. The authors have carried out a very detailed analysis of the circumstances which led to the case and which influenced its eventual outcome.

The report examined the systems, procedures and governance structures in place in Meath County Council and in the planning department, in particular. In this regard, the report's findings highlight a number of serious deficiencies and provide a number of corresponding recommendations for remedial action. I am studying the recommendations in the light of what the Senator said and assure him I will enter into discussions, through my Department, with Meath County Council and all local authorities to ensure the recommendations are consistent across the board in the local government system.

As Minister with responsibility for local government, I am obviously perturbed by the report's findings. It will be very important that Meath County Council acts quickly to resolve the deficiencies identified. While the response to the report is a matter for the council in the first instance under the Local Government Act 2001, my Department has written to the county manager seeking an early and full report on proposals to act on the recommendations in the review. Subject to this response, I will consider what further actions may be required. I will also write to Meath County Council to get a report of the meeting held last Tuesday evening to consider the report by elected members. I am anxious to hear their observations——

Senator Thomas Byrne: There was not much criticism.

Deputy Phil Hogan: I did not receive a report. I was not at the meeting. I am seeking——

Senator Thomas Byrne: I am just advising the Minister of the position.

Deputy Phil Hogan: The Senator might be closer to what might be happening in Meath County Council than I am, but as Minister for the Environment, Community and Local Government I am asking for a report of the meeting to see what was said and what conclusions were reached by the elected members on foot of that report. Full responsibility for the implementation of policy in local government rests with the county manager.

In any walk of life there has to be accountability and responsibility has to be taken for matters as serious as the ones that have accrued in this case, which has resulted in the taxpayer having to foot the bill, subject to appeal, of €4 million. Deficiencies were identified in the report carried out by two eminent public servants. On foot of the responses I will receive from the county manager and the consideration of the report this week by elected members, I will be in a position to make a decision about what will happen in regard to taking responsibility, in terms of what action is necessary in respect of the mistakes or deficiencies in the system or responsibility for the actions taken by Meath County Council.

I hope I will be able to get a full account of all the circumstance that led to the outcome of the report being so negative in respect of Meath County Council.

Senator Thomas Byrne: I thank the Minister for his reply. A concern was that the manager had proposed not to implement the recommendation relating to his executive responsibility. However, my biggest concern was that the recommendation had been made by Mr. John Quinlivan, a very experienced county manager who ran a very large urbanised local authority which would have had a large number of planning cases with which to deal. I knew from my father's experience on Drogheda Borough Council that Mr. Quinlivan knew every paperclip on his and

[Senator Thomas Byrne.]

everyone else's desk in the local authority system. I am sure Senator D'Arcy will attest to the fact that he knew everything that was going on. If the recommendation is his, it should be accepted and taken seriously.

I apologise for what I said at the start of my speech. However, this is a very serious matter and taxpayers are concerned. I am delighted that the Minister is looking at it very seriously.

Deputy Phil Hogan: I am taking it seriously. I am seeking explanations for how these situations arose. While I have seen the response of the county manager in the media, I have not received a response in writing to my Department in respect of the cherrypicking of some of the recommendations made in the report. People in that position must be responsible and accountable to the taxpayer, the elected members and the State for decisions made. I know from personal experience that these matters are important. I look forward to studying very carefully the explanations requested from the county manager and Meath County Council.

The Seanad adjourned at 3.45 p.m. until 2.30 p.m. on Tuesday, 20 September 2011.