

SEANAD ÉIREANN

Déardaoin, 19 Iúil 2012.
Thursday, 19 July 2012.

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Machnamh agus Paidir.

Reflection and Prayer.

Business of Seanad

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

The need for the Minister for Transport, Tourism and Sport to detail any information which he has on when reciprocal agreements on driving licences with the Canadian provinces are likely to be negotiated, as the absence of mutual recognition is causing problems for Irish citizens.

I have also noticed from Senator Paschal Mooney of the following matter:

The need for the Minister for Education and Skills to comment on remarks made by a person (details supplied) that the company will have to recruit overseas workers due to the lack of linguistic skills among Irish workers; if he agrees that this is a serious obstacle to reducing the unemployment figure, especially among the young; and the steps he will take to ensure that Irish workers can compete for these and other similar jobs which have been announced in recent months.

I have also received notice from Senator Martin Conway of the following matter:

The need for the Minister for Education and Skills to facilitate a student (details supplied) with the school transport allowance who is entering a secondary school in County Clare but which school is not the nearest in her proximity, due to bullying reasons.

I have also received notice from Senator Deirdre Clune of the following matter:

The need for the Minister for Social Protection to outline the eligibility criteria required for those seeking funding from the humanitarian assistance fund following the recent flooding in Cork.

I have also received notice from Senator David Cullinane of the following matter:

The need for the Minister for Justice and Equality to discuss the issue of ground rents; whether he intends to pursue the abolition of ground rents on the family home, and on the current situation of the residents of Lismore Park, Lismore Lawn and Lismore Heights in Waterford, who are being pursued for ground rents by the landlord.

[An Cathaoirleach.]

I have also received notice from Senator Kathryn Reilly of the following matter:

The need for the Minister for the Environment, Community and Local Government to discuss the anomaly where local authority tenants are unable to get house insurance separate to contents insurance because they are not owners of the dwelling, and whereby local authority tenants are liable for non-structural damage including burst pipes but because they cannot get house insurance they are liable for severe costs should damage occur.

I regard the matters raised by Senators Daly, Mooney, Conway, Clune and Cullinane as suitable for discussion on the Adjournment. I have selected the matters raised by Senators Daly, Mooney, Conway and Clune and they will be taken at the conclusion of business. Senator Cullinane may give notice on another day of the matter he wishes to raise. I regret I have had to rule out of order the matter raised by Senator Reilly as the Minister has no responsibility in this matter.

Order of Business

Senator Maurice Cummins: The Order of Business is No. 1, motion regarding the arrangements for the sitting of the House on Friday, 20 July; No. 2, Residential Institutions Statutory Fund Bill 2012 — Second Stage, to be taken at the conclusion of the Order of Business and conclude not later than 1.45 p.m., with the contributions of group spokespersons not to exceed eight minutes and all other Senators not to exceed five minutes, and the Minister to be called on to reply not later than 1.35 p.m.; No. 3, Public Service Pensions (Single Scheme and Other Provisions) Bill 2011 — Committee and Remaining Stages, to be taken at 3 p.m. and conclude not later than 5 p.m.; No. 4, Health (Pricing and Supply of Medical Goods) Bill 2012 — Second Stage, to be taken at 5 p.m. and adjourn at 7 p.m., if not previously concluded, with the contributions of group spokespersons not to exceed eight minutes, and all other Senators not to exceed five minutes. Business shall be interrupted from 1.45 p.m. to 3 p.m.

Senator Thomas Byrne: I wish to raise two brief points before coming to the main point. I welcome yesterday's report on the pyrite issue. Obviously much work must be done on the issue. The people in the commuter belt in County Meath and in surrounding counties will have a little more patience on the issue but not much more. Yesterday's report is an indication of some progress. I am meeting many residents next week to discuss what action they wish to take, given that so far there has been no action on the issue.

An issue that affects Senator Diarmuid Wilson and me is the Meath-Cavan-Tyrone power-line. Fine Gael made fantastic promises in opposition, ran fabulous campaigns and buried the cables. The Minister for Communications, Energy and Natural Resources, Deputy Pat Rabbitte, has told EirGrid to go ahead with all due haste immediately with the proposal in place under the previous Government. That is another broken promise for the counties of Meath, Cavan and Monaghan, and it also affect the North.

The main issue affecting people's ordinary lives today is the health of the nation. The health service is on course to run a €500 million deficit. This is not because of the IMF, Fianna Fáil or Deputy Micheál Martin, who is constantly blamed, but the failure of the Minister for Health, Deputy James Reilly, to run his budget properly. He presented what was a false Estimate to Dáil Éireann last December. He failed to implement the necessary legislation on time. One of those pieces of legislation is only coming before us today, namely, the Health (Pricing and Supply of Medical Goods) Bill 2012, which was released with great fanfare on Tuesday. The delay in publishing the Bill and the fact that it is only coming before the Oireachtas on the day the Dáil goes into recess are partially responsible for the €500 million deficit in the health service.

Last autumn the Minister, Deputy Reilly, said that legislation on drug pricing was being finalised and would be submitted in 2011. It was included in the budget 2012 savings. The HSE performance report in April stated that none of the €124 million projected savings had been delivered to date because of a failure to introduce legislation. The chief executive of the HSE, Mr. Cathal Magee, stated on 28 June:

In our plan the assumption was that we would save €124 million in drug payments, with a substantial part delivered through a new pricing agreement with the industry. That has not come through.

Legislation on reference pricing and generic drugs was only published seven months after being budgeted for, which is outrageous. Because of the failure and volatility of the Minister, Deputy Reilly, and his concentration on other important matters facing him, wards will be closed, nurses will work reduced hours in some cases, operations will be cancelled, and emergency units and medical assessment units will go on shorter hours. This is all because of the Minister's delay and inaction. While many people criticise Deputy Martin, who was last Minister for Health and Children in 2004, he did fantastic work then.

Senator John Gilroy: He was a man who never made decisions. He was the man who destroyed the health service.

An Cathaoirleach: Senator Byrne, without interruption.

Senator Thomas Byrne: When Deputy Martin was Minister for Health and Children the current Minister was negotiating lucrative contracts for well-paid consultants and doctors.

Senator Fidelma Healy Eames: That was his job.

Senator Thomas Byrne: I propose an amendment to the Order of Business that not only will we take the Second Stage of the Health (Pricing and Supply of Medical Goods) Bill, but in order to prevent ward closures and operations being cancelled, and in order to keep the health service and help deliver the savings, unusually we should take all Stages of the Bill today because it is so urgent. The Minister has delayed it for seven months. It is absolutely inexcusable that it comes in on the last day of term. I ask the Leader to give us some time on it and let us pass all Stages today. Seanad Éireann would be seen to be doing our bit to rectify what the Minister has failed to do.

Senator Ivana Bacik: I know the Leader will respond to Senator Byrne's proposed amendment to the Order of Business. It is good to see that Fianna Fáil is supporting the Bill. There was an element of manufactured outrage about the Senator's contribution and he seemed to be trying to find a way to object to the Bill while supporting it.

Senator Thomas Byrne: I was only quoting Mr. Cathal Magee, whom the Minister has sacked.

Senator Ivana Bacik: It rings a little hollow.

Senator Paul Coghlan: The Senator was playing the man rather than the ball.

Senator Ivana Bacik: The Senator's comments about the Minister for Health were unwarranted, particularly when he is introducing a Bill his party supports.

Senator Thomas Byrne: It is seven months late and that will cause ward closures in coming weeks.

Senator Fidelma Healy Eames: He has not been idle.

An Cathaoirleach: Senator Bacik, without interruption.

Senator Thomas Byrne: Mr. Cathal Magee thought he was.

Senator Ivana Bacik: The Taoiseach's visit to the House yesterday was extremely useful for us. It was particularly welcome to hear him give the comprehensive update on developments at EU level and plans for Ireland's Presidency of the European Council next year. It was also very welcome to hear him say that he anticipates a resolution being reached on the issue of breaking the vicious cycle between banking debt and sovereign debt in early course and hopefully in October before we take up the Presidency of the European Council. We all hope those negotiations will go well over August and September and we will see that resolution.

On a related note, I believe Senator Paul Coghlan raised with the Taoiseach the issue of the banking inquiry. Perhaps in September we might have a debate on the format of a banking inquiry and how best a banking inquiry could be conducted by the Houses of the Oireachtas, given the failure of last October's referendum and given issues arising as to which committee is the most appropriate to hold it. That would be a useful debate to have in the House.

In the autumn I am sure we will have a debate on universality of benefit. I was very concerned, as were many others, at reports that the IMF was looking at universality of child benefit and other types of benefit. I was very glad to hear Nora Gibbons of Barnardos very strongly pointing out the dangers and risks of unforeseen consequences if there is any move away from the universality principle upon which child benefit is paid. She also pointed out the very important principles of support for children that child benefit symbolises. We will certainly be returning to that debate.

Looking beyond these shores over the coming couple of months, there are very worrying signs of escalating conflict in Syria. There are reports today of gunfire and attacks in the capital, Damascus. There is still obstructionism at the UN Security Council by Russia and China in particular. There is increasing frustration among UN officials in trying to bring humanitarian aid to the unfortunate civilians in Syria who are caught in the conflict. Ireland needs to be making strong representation through the EU to try to bring some sort of resolution to the conflict. I hope we will see that happen in the next couple of months.

Senator Jillian van Turnhout: I welcome the Fianna Fáil proposal to take all Stages of the Health (Pricing and Supply of Medical Goods) Bill, which I would wholeheartedly support. Although I have not had an opportunity to discuss it with my group, I know there would be much support. Today's newspapers carry reports of a case heard in the Dublin District Children's Court yesterday about the HSE's inability to find accommodation for a boy in his mid-teens. This is not a report from ten or 20 years ago, but yesterday in our capital city. Judge Gibbons said:

This young chap patently needs the assistance of something that terms itself the child protection agency . . . it is obvious from this that the HSE has completely walked away from its responsibilities . . . [The HSE has] lost the plot.

The judge was disturbed by its lack of co-operation. This report indicates that there is a boy in his mid-teens that we have failed as a State. The Seanad should send out a clear message that it is totally unacceptable. I call on the Leader to express that message to the Minister for Children and Youth Affairs.

I agree with Senator Bacik's comments on child benefit, an issue on which I have done considerable work. Yet again we get the call for it to be taxed or means-tested. Many research

papers have proved that it is impossible to tax or means-test it. We would end up paying so much in administration to identify who is the beneficiary of the payment. Is it the children's money or the parents' money? How would it be administered if the parents are separate or there are custody arrangements? It is a horizontal payment that demonstrates how we value children in our society. Many families are in financial distress and finding it very difficult. Removing the safety net at this time is not the answer and certainly not in this simplistic way. Mr. Michael O'Leary and others have raised a misconception in complaining about receiving child benefit. A parent must apply to get child benefit and does not get it automatically. On having one's first child one must apply. People who claim that they get it and do not want should be told to stop — they do not have to have it and people must apply. Families who are applying for child benefit obviously believe they need it. I raised this at the Joint Committee on Jobs, Social Protection and Education and said we should not be so simplistic when considering taxing or means-testing. There are other ways, including a free schoolbook scheme or free children's health. There are other ways to ensure the money goes to pay for what it is intended. Let us not be so simplistic and consider one Department — let us connect government.

Senator David Norris: I compliment the Leader on his fine speech yesterday in the presence of the Taoiseach.

Senators: Hear, hear.

Senator David Norris: He made a number of extremely valuable points. Regrettably sometimes Government actions undermine those fine words. Once again No. 1 proposes that we should have no Order of Business tomorrow, which I oppose. I propose an amendment to the Order of Business that we delete No. 1 from the Order Paper because it is an undemocratic principle. I was rather disappointed that last night during a serious debate with some extremely fine contributions the Government produced only the minimum number of speakers — one from each Government party — one to propose the amendment and one to support it. Anyone who reads the debate will see that they did not deal with the substance at all. That is a great disappointment.

I also wish to refer to a debate last week regarding the establishment of the Constitutional Convention, when there was some disruption of the business of the House. The record needs to be corrected. Senator Zappone suggested that a gentleman who was sitting in the Visitors Gallery was criticising me and the other Senators who had organised a series of votes, intended to protest at the lack of proper debate. I have received a letter from the same gentleman, a copy of which he also sent to *The Irish Times*, in which he expresses considerable respect for Senator Zappone and her public work but says that she had, unfortunately, misinterpreted what he said. It was the obstructionist tactics of the Government that he was protesting against when he said, "Shame on you". On the record of the House a completely different construction was placed on his comment. The fact that the person who uttered the words has contradicted that construction should be placed on the record of the House now, in order that the record be accurate.

I ask that we, as a body, assuming the Cathaoirleach thinks it is appropriate——

An Cathaoirleach: I do not think it is appropriate, Senator Norris.

Senator David Norris: I beg your pardon?

An Cathaoirleach: I do not think it is appropriate.

Senator David Norris: I have not said what I was about to say so I do not know how the Cathaoirleach can say whether it is appropriate.

Senator Rónán Mullen: The Cathaoirleach has experience of Senator Norris.

Senator David Norris: I was moving on to a second matter. I do not mean to be rude.

Senator Terry Leyden: He also has a sixth sense.

Senator Paul Coghlan: The Cathaoirleach's sense is accurate.

(Interruptions).

Senator David Norris: I am not going to go there because what I want to say is not at all frivolous. I know that expressions of sympathy are usually passed through the Committee on Procedure and Privileges but this is a general one with which everyone might agree. At the very least, we can express horror at the outrage that was committed in Bulgaria against a bus load of Israeli tourists. These were innocent victims. It was a slaughter of the innocents. Nobody knows what their political views were. I certainly do not. They may well have supported Palestinian rights, as many Israeli people do, but whether they did or not is no justification for killing them. Any of the organisations, whether Israeli-Jewish, like B'Tselem or others, who oppose Israeli policy in the settlements would not welcome this. It is appalling.

The final matter is the question of the tragic death of a young woman in Roscommon who was on her way to hospital in Galway. I have never been a hospital-candidate type of person and I have always supported rationalisation but I am appalled by the fact that somebody died on the way to hospital because the journey took so long. Could we have an investigation into this? Added to that is the fact that we were told that the air ambulance would be available. It should be located in Athlone but is in Casement Aerodrome. The reason given by the Army is that the noise would cause a nuisance but I believe that the level of nuisance caused when the use of the air ambulance is necessary would be tolerable if it saved a life.

Senator Deirdre Clune: I ask the Leader to invite the Minister for Communications, Energy and Natural Resources, Deputy Rabbite, to the House in the autumn to discuss energy policy. The Government produced a policy document on infrastructure yesterday, to which Senator Byrne referred. We also had the recent announcement from Element Power that it will go ahead with the development of 40 wind farms in the midlands, generally, to serve the UK market as it struggles to reach its commitment to renewable energy. We had an announcement last week from Eddie O'Connor, of Mainstream Renewable Energy, on its proposed 5,000 megawatt investment. The National Competitiveness Council produced a report yesterday which highlighted the fact that Ireland's share of energy derived from renewable resources is approximately one third of the Organisation for Economic Co-operation and Development, OECD, average and that we are one of the most oil-dependent countries in the OECD. Thrown into that mix we have natural gas and the Corrib line which is expected to come onshore and supply our gas needs for the next 20 years or so. We must have a debate on energy, particularly on wind energy, including the cost to the Exchequer in supporting its development and whether it is economically viable or recommended. There are many questions to be answered regarding energy and we must hear the Minister's views on these matters as we move forward. Energy policy is very important from a competitiveness point of view and that must inform the debate.

Senator Terry Leyden: I wish to be associated with the expression of sympathy from Senator Norris and believe it would be appropriate that our sympathies be sent to the Government of Israel following the recent atrocity. The murder of innocent people should be condemned by

all sides. I hope the Leader will convey the sympathy of this House to the families affected and to the people of Israel.

I ask the Leader of the House to devote time today to debate another matter raised by Senator Norris, namely the tragic death of Ms Elaine Curley, who was only 19 years old. She was 15 minutes away from Roscommon Hospital when she was involved in a car crash on the Galway-Roscommon border. Due to the closure of the accident and emergency department in Roscommon Hospital, she died. She is the first real, declared tragedy of the decision by the Government of Deputies James Reilly and Enda Kenny, who gave commitments and promises to the people of Roscommon that the accident and emergency department in Roscommon would be retained. They misled the people. This young girl is a victim of the policies of the Fine Gael, Labour Government.

Senator Maurice Cummins: That is a dreadful stuff.

Senator Terry Leyden: The ambulance was directed up a bog road.

Senator Ivana Bacik: The Senator is playing party politics.

Senator Maurice Cummins: This is dreadful.

Senator Terry Leyden: It headed to Portiuncula Hospital.

(Interruptions).

An Cathaoirleach: Is the Senator seeking a debate?

Senator Terry Leyden: Yes. It was diverted to University College Hospital, Galway. Ms Curley died 30 minutes away from the hospital. The accident occurred at 10 o'clock——

An Cathaoirleach: The Senator knows well that individuals should not be identified in the House.

Senator Terry Leyden: It is all in the media.

An Cathaoirleach: That is immaterial, Senator. Is the Senator seeking a debate on the issue?

Senator Terry Leyden: Yes, but I want to explain why I want a debate.

Senator Martin Conway: The Senator is just looking for attention from the media.

Senator Terry Leyden: This is the second last sitting of this session. This happened at——

An Cathaoirleach: That can form part of the debate, surely.

Senator Terry Leyden: This happened on 6 November, 2011 at Tonamaddy, near Creggs in County Galway. Ms Curley's parents, Bridie and Pdraig Curley——

(Interruptions).

An Cathaoirleach: The Senator should not be identifying individuals on the record of the House.

Senator Terry Leyden: They have made a statement——

An Cathaoirleach: That is immaterial.

Senator Terry Leyden: If they made a statement to the newspapers, then they want this issue highlighted.

Senator Thomas Byrne: Hear, hear.

Senator Terry Leyden: We want to prevent other people dying. The Minister for Health, Deputy James Reilly, has taken control of the health services.

An Cathaoirleach: The Senator cannot be identifying people under the privilege of the House.

Senator John Kelly: This is dreadful.

Senator Terry Leyden: Senator John Kelly knows this well. The Labour Party gave a commitment to retain the accident and emergency department in Roscommon.

Senator John Gilroy: On a point of order, please. While I do not wish to tell the Cathaoirleach how to do his job, Senator Leyden's outrageous behaviour, in naming people and attributing the awful tragedy of this death to the Government is absolutely——

An Cathaoirleach: I have reprimanded Senator Leyden and have asked him to refrain from doing that.

Senator John Gilroy: It is outrageous. He should retract his comments immediately.

Senator Martin Conway: Senator Leyden should withdraw his comments.

Senator Terry Leyden: I am quoting——

Senator David Norris: I wish to make a point. Senator Leyden is somebody for whom I have great respect but I wish to disassociate myself from the manner in which this matter is being followed through. This is not the manner in which I wished it to be raised. I asked for an examination because I do not believe it has been established that the death was directly as a result of the accident and emergency closure. It may have been — we do not know — but to state it baldly was not my intention. I wish to cause no hurt to anybody nor to engage in this kind of controversy.

Senator Fidelma Healy Eames: We need some balance here.

An Cathaoirleach: Senator Leyden, I wish to point out that you should not be discussing individual cases and naming people here under the privilege of the House.

Senator Terry Leyden: It is in today's *Irish Independent*.

An Cathaoirleach: That does not make any difference.

Senator Maurice Cummins: This is not the *Irish Independent*.

Senator David Norris: Just because it is in a newspaper does not make it true.

Senator Paul Coghlan: Senator Leyden is not a doctor.

(Interruptions).

Senator Terry Leyden: The family——

An Cathaoirleach: Senator Leyden, you are speaking under the privilege of the House and I ask again, are you seeking a debate on this issue?

Senator Terry Leyden: Yes. The family has issued a statement.

An Cathaoirleach: That is not an issue. You are speaking here under privilege of this House.

Senator Terry Leyden: Those Deputies who were elected on false promises should resign and face a by-election in Roscommon. They were elected under false pretences. The Fine Gael and Labour Government have misled the people of Roscommon.

An Cathaoirleach: Senator Leyden is out of time.

Senator Maurice Cummins: Senator Leyden is completely out of order.

Senator Terry Leyden: Shame on them.

Senator Ivana Bacik: Shame on Senator Leyden.

Senator Terry Leyden: People are dying as a result of Fine Gael policies.

Senator Ivana Bacik: Shame on the Senator.

Senator Terry Leyden: They are responsible for her death.

Senator Ivana Bacik: Shame on the Senator for playing party politics.

Senator Terry Leyden: Shame on Senator Bacik and her Government and shame on Deputy Reilly. They lied to the people of Roscommon.

Senator Ivana Bacik: Shame on the Senator for playing party politics with a tragedy.

An Cathaoirleach: Senator Leyden, you are completely out of order.

Senator Terry Leyden: I am entitled to be out of order. Somebody lost their young daughter——

Senator Maurice Cummins: Senator Leyden should withdraw the word “lied”.

Senator Ivana Bacik: Hear, hear.

Senator Maurice Cummins: It is not proper parliamentary procedure to say that somebody lied.

Senator Terry Leyden: Who did I apply “lied” to?

Senator Martin Conway: He applied it to the Government.

An Cathaoirleach: I did not hear it.

Senator Maurice Cummins: The Senator said it.

Senator Terry Leyden: I can prove that Deputy James Reilly lied. I can prove it and I will not withdraw it.

An Cathaoirleach: I ask the Senator to resume his seat. I did not hear what Senator Leyden said. I call Senator Kelly.

Senator John Kelly: I will not comment on Senator Leyden's accusations in order to spare the family any further hurt.

Before I raise an important matter, I wish to welcome friends in the Visitors' Gallery, who have come from California and are on their honeymoon.

It would be the last place I would go to celebrate my honeymoon.

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

Senator David Norris: Has anyone asked you?

Senator John Kelly: If they knew Senator Leyden was here they would probably have gone to the Dáil.

Senator Terry Leyden: Leave them alone.

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

Senator John Kelly: I do and I want to make a point. I support Senator Clune's call for a debate in September on wind energy and its viability because it is a very important issue. I also want to raise an issue which is very close to my heart. I am conscious we will be in recess for a number of weeks and I am always concerned about the security of small post offices in rural Ireland. Criminal gangs target them, as they did in Dublin last week if people need evidence. Most rural small post offices are run by post mistresses who run the show on their own perhaps with a substantial amount of cash. They are sitting ducks for criminals. My sister is a postmistress and last year she was tied up and robbed—

11 o'clock

An Cathaoirleach: She is an individual also and the Senator should not raise the issue on the Order of Business.

Senator John Kelly: —like staff at two other local post offices which were robbed.

An Cathaoirleach: A question for the Leader.

Senator John Kelly: Will the Leader call on the Minister for Justice and Equality to put in place extra security in rural Ireland over the summer recess when this House and the Dáil are not sitting and to ensure there is a greater Garda presence particularly where there are small rural post offices? It is too late when the horse has bolted in this instance.

Senator Feargal Quinn: I add my voice to the compliments to the Leader for his words yesterday. It is necessary to respond to the Taoiseach, whom I also wish to compliment. It is seldom somebody has come here to speak for as long as he did without notes from the civil servants behind him. He spoke off the cuff after our debate. I thank the Leader for arranging the debate. I was impressed by the Taoiseach's words apart from on one point, which is the future of the House. The Taoiseach said it is in the hands of the citizens of Ireland. It is up to us to ensure we earn respect if we are to have a vote. I hope we will even convince them we do not even need a vote.

I was impressed to hear we will all be given an information tablet. The reason I mention this is because for some time I have been fighting about the amount of paper we receive. I hope by the end of the year we will all be able to come here with our information tablets and have no paper. Five years ago the former Senator Joe O'Toole told me he would no longer take paper with him anywhere and since then he never has. He uses his tablet or computer.

When we return after the recess I would like to see a debate on genetically modified foods which are back in the headlines again. Last week we had a wonderful week of science and the issue of genetically modified foods need to be debated. Two opposite views exist and this would be the ideal forum for such a debate.

Senator David Norris: Hear, hear.

Senator Fidelma Healy Eames: I wish to mention something positive that perhaps is not known. This year Ashoka's Change Nation came to Ireland. It involved 50 innovators bringing solutions we need to help our country. One of them is Dr. Sanjeev Arora, a consultant in New Mexico. He found the greatest problem facing his people was waiting lists, such as we have here. People were waiting up to eight months to see him and they were getting sicker and dying. Through a method called ECHO and teleconferencing with his GPs he has reduced his waiting list to three weeks. He is upskilling his GPs to become super specialists within a year. The good news is that I have linked this person with the Minister for Health, Deputy James Reilly, who is in consultation with him and we will establish a pilot scheme here. Consultants and GPs are willing to do it. This is about an investment in education and technology to improve health outcomes.

Will the Leader asked the Minister for Social Protection, Deputy Burton, to attend the House in the autumn to discuss an urgent issue? The IMF report issued today is very broad ranging on systemic change it seeks in medical cards, social welfare rates and child benefit. It also states it would like property tax to be at a suitably high level. We must reflect very carefully on this. More than 50% of the people in the country have no disposable income after they pay their bills. Many of them have very high mortgages and we must be careful to mind our people.

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

Senator Fidelma Healy Eames: The Cathaoirleach knows I have not spoken this week and I am trying to say everything I want to raise.

An Cathaoirleach: Many other Senators have indicated they wish to speak.

Senator Fidelma Healy Eames: Will the Leader ask the Minister to attend the House early in the autumn because we will be facing into a budget and people will be worried about certainty as they approach a new year with regard to their disposable income and what they can rely on receiving if they are out of work? The Minister must address the issue of sick pay. I completely disagree with her that the employer should pay.

An Cathaoirleach: This can form part of the debate.

Senator Fidelma Healy Eames: We rely on employers to produce growth in the country.

Senator Kathryn Reilly: D'iarr mé ar an Taoiseach inné, i gcomhthéacs an tábhachtacht a bhaineann leis an nGaeilge, an bhfuil sé i gceist aige Uachtaránacht Aontas na hEorpa a úsáid chun stádas na Gaeilge san Aontas Eorpach a chur chun cinn. Chualamar ar maidin go bhfuil sé níos daoire téacs a sheoladh as Gaeilge ná mar atá sé i mBéarla.

Yesterday, Vodafone confirmed that users would be charged the cost of three text messages if they include a fada in a text message of 160 characters. O2 and Vodafone state they are conforming to global standards set by the European Telecommunications Standards Institute. Will the Leader invite the Minister for Communications, Energy and Natural Resources to attend the House after the recess, after he has examined this issue, to discuss how we can put

[Senator Kathryn Reilly.]

our language to the fore and ensure we are not unduly penalised for using our native language in media such as text messaging, which is used every day by the people of Ireland?

Senator David Norris: Hear, hear. They make exceptions in other countries.

Senator Jimmy Harte: I welcome the happy couple to the Visitors Gallery. I hope they have a good honeymoon in the country and a good life ahead.

The issue I wish to raise is related to what Senator Kelly stated about small rural post offices and banks. In Donegal, like other rural counties, there are one or two banks in a town and the prospect of them closing down means people may have to travel distances to lodge money or meet their bank manager. If we have a banking inquiry in the autumn we should ask representatives from the banks about their plans for rural banks. Inishowen in Donegal has two banks and if both closed the nearest town would be ten or 12 miles away. The banks must come clean with rural communities and tell them how they view their future role. I welcome the role of the post office in banking but it could not be expected to carry out all of the work a bank does, particularly with regard to financial planning. This could be related to Senator Bacik's call for a banking inquiry.

Senator Diarmuid Wilson: I second Senator Byrne's amendment to the Order of Business. I wish all my colleagues a peaceful and enjoyable break during the few weeks we will be off. As this is the final Order of Business this session, I do not want to press a vote on Senator Norris's amendment.

In a matter of weeks Mr. Justice Moriarty of the Moriarty tribunal will adjudicate on third party legal cost applications. The auditor general has estimated these costs will be in the region of €80 million to €100 million. I wish to advise the House that I have received new information that raises concerns about the evidence of some key tribunal witnesses, particularly a Member of the Lower House. The new information refers to the acquisition of Doncaster Rovers Football Club and records that the Member attended well in excess of 50 meetings relating to this acquisition.

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

Senator Diarmuid Wilson: Yes, I have. It is my understanding that neither these meetings nor their extent were advised to the tribunal, and I will be forwarding this information to the tribunal. I ask the Leader to arrange a debate immediately on our return in September on not only the Moriarty tribunal, but the Mahon tribunal and future potential tribunals, so the costs of these tribunals are dealt with as a matter of urgency.

Senator Martin Conway: I concur with much of what Senator Wilson has said and the Leader should give his request due consideration. I also agree with my colleague, Senator John Kelly, on the security and role of rural post offices. The post office network is extremely important and has the potential to act as a one-stop-shop for many of the services that are splintered among various offices such as local government, banks or other institutions. The network deserves to be considered for upgrading and security at post offices needs to be reviewed. I ask the Leader to invite the Minister for Communications, Energy and Natural Resources, Deputy Pat Rabbitte, to come here in September to discuss the existing security protocols for small rural post offices. People and the staff, who are mostly female, are vulnerable in such offices. I ask that the protocols be reviewed and upgraded because there have been too many attacks on post offices in recent times. One post office in Dublin was attacked two weeks on the trot. The issue is extremely serious and we, as parliamentarians, have a responsibility to

highlight it and to ensure that action is taken. I have utter confidence in the senior management of An Post but the Oireachtas has a role in ensuring that post offices are utilised to their full potential and that the thousands of people who work in them can do so safely.

I wish my colleagues an enjoyable summer break. I remind them that there are many facilities and services to be seen in County Clare if any of them wish to spend their hard earned money there.

An Cathaoirleach: I do not want to listen to commercials on the Order of Business. I have a lot of Senators offering and I call on Senator Sean D. Barrett.

Senator Martin Conway: I thank the Senators for their co-operation during the year. I remind the Cathaoirleach that I did not speak this week either.

Senator Fidelma Healy Eames: The poor baby.

Senator Sean D. Barrett: I thank Senator Conway for his kind invitation to Clare. Yesterday, I raised item 17 on the Order Paper, the Fiscal Responsibility (Statement) Bill 2011, with the Leader as it is overdue by many months. The Bill appeared in the afternoon and I compliment him on his superior efficiency compared to the Department of Finance. I hope that when the Taoiseach visited here he too noted the superior efficiency of the House. His visit was welcome.

The IMF's recent conclusions stated:

Maintaining expensive universal supports and subsidies is difficult to justify under present budgetary circumstances. Better targeting of the child benefit, medical card spending, the household benefits package and the expenditure on non-means tested pensions can generate significant savings while protecting the poor.

Some of what we heard earlier makes me think that Ireland must have the richest poor people in the world because of the way they make special pleadings when the IMF reports on rampant inequalities in this society, furthered by extra State expenditure towards extremely rich people. I recall studies in the United Kingdom which showed that the Common Agricultural Policy mostly benefited the members of the aristocracy because they owned more land. Public expenditure is not always progressive in its distribution and can be highly regressive. That is what the IMF has told us and we would be well placed to listen to its advice and analyse it rather than have knee-jerk reactions.

Senator John Whelan: I have been here well over a year and I just found out that one can accumulate one's time and let the meter run up in order to get a better run at things.

I support the issue raised by Senator John Kelly this morning. I also support Senator Marie-Louise O'Donnell who made a potent if brief speech yesterday in the presence of the Taoiseach on how we have abandoned and surrendered control of our main street in the capital city. We must be honest: it is not safe to walk on O'Connell Street in broad daylight. I use the Luas to travel from Heuston and I have been accosted and intimidated on mornings and evenings. I have witnessed racial attacks on the tram. I call on the Leader to invite the Minister for Justice and Equality to come here in the autumn to explain policing policy. I know that resources are short and small Garda stations may have to be closed, but we do not have enough gardaí on the beat. It is as simple as that. We have no Garda visibility, and it is not just an urban problem. In the village of Clonbullogue, there were 50 house break-ins in one week and one house was burgled three times. People are not safe in their homes. There are community alert and neighbourhood watch schemes, but they are no substitute for having gardaí out and about. When the Minister comes here he must outline a policing policy that will get gardaí back on

[Senator John Whelan.]

the streets and visible again. There is something radically wrong with our policing policy when one cannot walk the main street of the capital city in broad daylight.

Senator Labhrás Ó Murchú: I second the amendment to the Order of Business proposed by Senator David Norris. I would also like to take up the point about the session we had with the Taoiseach yesterday. I found the debate helpful and edifying in many ways. I compliment the Leader and all of the speakers on their contributions yesterday. Once again it showed that we can discuss and debate serious issues, such as our position in Europe, with less acrimony in the Chamber. There is always the possibility that the Taoiseach will have a Damascus-like conversion on his way to the referendum. I do not know if that will happen but his visit was good for the Seanad.

Senator Norris raised a legitimate point this morning about the young woman who died in Roscommon on her way to hospital. It is a reminder to us all that behind all of the statistics there are human stories, many of them tragic. Members need to know that her family spoke on the issue in the hope that it would never happen to anybody else. Most people in this country are committed to the rationalisation of the health system. Most people want centres of excellence because without them, many more people would die. The important part of Senator Norris's point is that we should examine the situation in the context that there are times, like the case in Roscommon, and even when there is a programme of rationalisation and new structures in place, that a different approach could be adopted on the spot in the hope that it might save a life. That is the reason it was important to raise the matter here. Perhaps we could discuss such issues, although not specific cases, after the summer recess because I know of another case where a young person in Tipperary almost died. If the person had gone to where they were supposed to go in Waterford and had not gone to Clonmel, there is a good possibility that the young person would have died. In that case, a decision was made on the spot to ensure that did not happen. That is the atmosphere in which we should discuss a tragedy of this kind.

Senator Michael D'Arcy: I wish to raise the issue of the IMF's stated views on universal payments. We must grapple with this issue sooner rather than later. During the term of the previous Government we saw how difficult it was to remove a universal payment, which is just about impossible.

We should put the issue of universal payments to a referendum so that the people can decide on the issue. If people vote against these payments, they will be voting against the receipt of child benefit, old age pensions or medical cards or any other benefit. Universal payments cost a great deal of money and the word is that not everybody needs these benefits.

My second point is that those who do need to avail of universal benefits are supposedly the wealthy. We need to compare the gross payments via social welfare to the take home pay, following deductions for tax and levies of those working. We need to put this objective information into the public domain for debate. This is a service that this House could do for people in general.

I ask that we consider holding a referendum on universal payments?

Senator Paschal Mooney: I was astonished to learn that a circular was supposed to have issued from the Department of the Environment, Community and Local Government to local councils imposing yet another cut. It was reported in today's *Irish Independent* that the Longford county manager confirmed that €1.3 million has been cut from his budget in the seventh month. Local authorities are already suffering under the crushing blow of reduced estimates and allocations in the past number of years.

It is astonishing that the Department would act in vengeance against local authorities which are being penalised as a result of people not paying their household charge. As the county manager pointed out last night, it is not that the local authorities which are neglectful in attempting to get people to pay. This will make it more difficult for local authorities to continue to provide the services that most people take for granted. It is only when services are no longer available, as will surely happen between now and the end of the year, that it will become apparent. With further cuts, the future services for those who rely on the local authority will deteriorate. It is shameful that this Government will now penalise local authorities which are cutting their cloth according to the current economic measure. This is outrageous. I hope the Minister for the Environment, Community and Local Government will come into the House in early September to outline his plans for the future funding of local government. Does he expect local authorities to collect each new tax he introduces? If people will not pay the tax, the local authorities will be penalised. That is shameful.

Senator Denis Landy: I concur with the views of my colleagues, Senators John Kelly, John Whelan and Jimmy Harte, on crime and the lawlessness on our streets. I too call for a debate on this issue in the autumn.

A number of years ago there was a raft of crime in rural Ireland. The Garda set up an operation to intercept the gangs leaving the capital and travelling to the west and the south. They stopped them very successfully. We need some similar action now. Senator Martin Conway mention the robbery of post offices. In my area, a criminal gang knocked out the electricity in a community and then proceeded to rob house after house while the people were in their own houses. This has put the fear of God into these people for the rest of their lives. This must stop. The Garda must take the initiative to make it stop.

I wish to raise cases that have come to my attention in respect of the payment of the carer's allowance. I am sure some of my colleagues have been acting on behalf of people during the past 14 months following election to the Seanad. The difficulty is that the goalposts are constantly being shifted by the Department. I call on the Leader to ask the Minister to do four specific things: to have a clear definition of the criteria for eligibility for and to be granted the carer's allowance; to have clear instructions on what medical evidence is needed from the outset to qualify for the carer's allowance; to have clear instructions on the responsibilities of the carer who is applying for the allowance; and to have a clear timeframe on the processing of these applications. What is happening is totally unacceptable. During the past 14 months I have been trying to follow up the case of man who is suffering from cancer and his partner applied for a carer's allowance to look after him. That is unacceptable.

I thank the Cathaoirleach, the Seanad staff and my colleagues for their forbearance with the novice Senators like myself.

Senator David Cullinane: On Tuesday, I called for a debate on poverty and the Leader replied that the Minister for Social Protection would attend the House to deal with the broad issues in her portfolio. I do not believe that will do justice to a debate on the causes of poverty, which I was seeking.

I call for this debate in the context of a number of published reports, the Social Justice Ireland report, the report of the Commission on Credit Unions, and a CSO report, all of which point to the growing gap between rich and poor. Many low-income households have less disposable income now than they had last year and in previous years. Yesterday, the IMF representative, Mr. Beaumont called for a re-examination of medical cards, and for child benefit and social welfare rates to be cut. These people have no grasp of reality and have no idea how these cuts would impact on the lowest income earners in this State. The gentleman

[Senator David Cullinane.]

who made that call yesterday should have been asked what he thinks is an acceptable rate. What level of cut would he apply to the social welfare rate? He should then have been asked if he could live on that amount of money.

A person on social welfare receives €188 a week. We are targeting the low paid and people on social welfare when cuts and adjustments are being made, but there is no call coming from the IMF on the higher earners.

I ask the Leader to contact the Minister for Jobs, Enterprise and Innovation on the 253 former workers of the hops breweries in Dundalk and Kilkenny whose negotiations for proper redundancy packages has run into a brick wall? It is important that these workers get compensation from the very profitable Diageo. Will the Minister for Jobs, Enterprise and Innovation intervene to ensure the workers get proper compensation?

Senator Paul Coghlan: During his address to the Seanad yesterday, the Taoiseach signalled significant progress on a number of fronts. I believe this augurs well for our Presidency of the EU and his leadership of it next year. In my view the most important issue he raised was breaking the vicious circle between banks and sovereigns. He negotiated this during the most recent summit. This is a significant achievement. I hope the Minister for Finance will be able to report on the detail of our further progress by October.

I agree fully with Senator Bacik's view on the banking inquiry that I referred to yesterday. I support her call to the Leader, that if matters have not been decided in the meantime, on our return we would immediately work on the terms of reference, the format and structure, how it should proceed and the timeframe. We could very usefully deal with the subject on resumption in early September, if it has not been decided in the meantime.

Senator Ned O'Sullivan: I support Senator Norris in his protest at the absence of the Order of Business on tomorrow's agenda. It should be a principle that we have an opportunity to discuss and adjudicate on the Order of Business every sitting day. That said, we are at the end of the term and I wish to compliment Senators on all sides of the House on what has been an excellent Seanad term. Indeed, the 24th Seanad is shaping up to be a very sound and successful one. In that regard, I wish to commend the Leader for arranging for the Taoiseach to be with us yesterday. It was an important and dignified event and was an opportunity for the Taoiseach to readjust his thinking on the merits of abolishing the Seanad.

I noticed an interesting manoeuvre by the Taoiseach when he said that the future of the Seanad is in the hands of the people, as if he, the poor innocent man, has nothing at all to do or say about it. Is he just going to throw out this idea about abolishing the Seanad like a wet fish on a plate and let the people make up their minds about it or is there going to be a Government position on it? Will I see my learned colleague from Kerry, Senator Paul Coghlan, going around knocking on doors in Killarney to put himself out of a job to which he is eminently suited?

Senator Maurice Cummins: I doubt it.

Senator Ned O'Sullivan: Will Senator Landy be going around Carrick-on-Suir canvassing for the abolition of the Seanad?

Senator Denis Landy: "No" is the answer to that question.

Senator Ned O'Sullivan: I think the question——

Senator Denis Landy: I will answer for myself and the answer is "No". I will not be——

Senator Ned O'Sullivan: I am delighted——

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

Senator Ned O'Sullivan: Senator Landy has responded to my question.

Senator Maurice Cummins: Senator O'Sullivan is being very provocative.

Senator Ned O'Sullivan: The issue of the future of the Seanad was raised on numerous occasions by Members on the other side of the House. We decided not to raise it with the Taoiseach and felt it was proper that they should do so. I urge them to keep at it. I think the Taoiseach is for turning.

Senator David Norris: Well said.

Senator Eamonn Coghlan: We are in the final seconds of the Order of Business for this term and tomorrow we go into recess.

After seven years of meticulous planning and preparation and an investment of approximately €11 billion, the games of the 30th Olympiad take place in London, commencing one week from tomorrow. The Olympic Games is an event that dominates the sporting landscape like no other event and for 16 days the world will be captivated by the extraordinary, brilliant and bizarre. Team Ireland will have 65 athletes represented in 14 different sports, which is a record level of participation for Ireland. That is a reflection of the wonderful investment that has been made by the taxpayer via the Irish Sports Council. I know for some athletes it has been a lifetime of preparation, dedication and focus. Some dreams will be realised but others will turn into nightmares. However, for some athletes, the difference between success and failure will be a matter of milliseconds. On the last day of this Seanad and as the only Olympian to have been invited to sit in this House, I feel it appropriate for me to wish Team Ireland the very best of luck in the Olympic Games.

Senator David Norris: Hear, hear.

Senator Eamonn Coghlan: It might also be appropriate, given that Liz and Casey have been invited to the Seanad, that the Leader consider inviting some or all of the members of Team Ireland to the House when we return in September. The young men and women who are representing Ireland represent the best of Ireland. They are good role models for the youth of Ireland and for all of the people of Ireland.

Senator Cáit Keane: I congratulate the Leader for the innovative changes he has made in the Seanad this year, particularly inviting the public into the House as a precursor to the citizen's assembly. I wish to put it on the record that the Seanad has a lot to offer. We may be a House of the condemned in some peoples' eyes but I do not think so.

I wish to refer to children who are condemned into care. I started my career teaching children and I wish to mark my first year in the Seanad by drawing attention to the fact that 2,300 children were taken into care in 2011. The number of orders granted by the District Court last year rose to 2,287, which was an increase of 119% on 2010. If there was an increase of 119% in anything else, the heckles would go up. An increase of 119% in the number of children going into care is enormous. I obtained this information from the annual report of the Courts Service.

The increase in care orders may be due to the fact that 260 additional social workers have been appointed in the last year. In that context, I congratulate the Minister for Children and Youth Affairs, Deputy Frances Fitzgerald, on the work she is doing in her Department. I am seeking a debate on this issue which should also include child benefit, child care, preschool

[Senator Cáit Keane.]

care and facilities for parents who, often through no fault of their own, cannot look after their children. I know this is a top priority for Deputy Fitzgerald but I would like a debate in this House on this issue. The number of children in care in 2010 was 5,727 and that number has increased to 6,282. Those children, through no fault of their own, are in care and we should be helping their families. I know the Minister is doing so but I want the issue included in an wide-ranging debate on child benefit, child care, preschool care and so forth. It is all very well to say that rich people get child benefit but over 60% of people in receipt of child benefit are receiving social welfare payments or disability allowance, including many single parents. I wish to see a proper debate on these matters, between ourselves and the Minister for Social Protection, Deputy Joan Burton, and the Minister for Children and Youth Affairs, Deputy Frances Fitzgerald.

Senator Michael Mullins: It is not often that I agree with Senator Cullinane but I agree with much of what he said about the comments by the International Monetary Fund on State benefits. Senator Michael D'Arcy made a very good contribution, when he called for a conversation on how we spend and spread State payments and benefits. I appeal to the Leader to take his comments on board because we should have that conversation in the autumn.

We hear a lot of talk about taxing the wealthy but we must ask who the wealthy are in this country. The people who were wealthy seven or eight years ago are no longer wealthy. Many were small employers or sub-contractors who were not paid what they were owed by larger contractors. Now many have found that they are not entitled to any State benefits because they were not paying the correct PRSI contributions at that time. We must widen the debate about who the wealthy are and how we are spending our State benefits. There are certainly people receiving State benefits whose entitlement is questionable and perhaps their money should be targeted at the underprivileged and the disadvantaged. This conversation is important. At a time of scarce resources, we should be targeting the most vulnerable. I hope we will have that debate in the autumn as we approach the budget. It is important that this House has an input into shaping the budget and that the various Ministers would take on board comments made in this House.

Senator John Gilroy: I welcome our honeymoon friends, Liz and Casey, to the Chamber. Their presence set me thinking that the next time I want to sweep Mrs. Gilroy off her feet I might whisk her up here to the Visitors' Gallery so she can hear the romantic tones that often emanate from the Chamber.

I support Senator Eamonn Coghlan's call for an invitation to be extended to the Irish Olympians to come to the House in September.

An Cathaoirleach: We wish them all gold. I call on the Leader to reply.

Senator Maurice Cummins: Senator Thomas Byrne welcomed the pyrite report, which was raised yesterday by Senator Darragh O'Brien. We hope that, as a result of the report, many of the people affected by this issue will be facilitated. I admit this is long overdue but hopefully, now that we have the report, we will be in a position to act upon it. The Minister is taking steps to rectify the HSE budget deficit. He outlined a number of areas in which he intends to rectify it and the management has been informed that it must come within its budget. It is unusual for the other side of the House to request to have all Stages of a Bill taken together.

Senator Thomas Byrne: It is either that or close wards.

Senator Maurice Cummins: I am usually castigated by the Opposition for ordering all Stages taken together.

Senator David Norris: By people like me.

Senator Thomas Byrne: We have been waiting for a year for this legislation. It is costing the State €100 million and we will have ward closures.

An Cathaoirleach: The Leader, without interruption.

Senator Maurice Cummins: I am informed by the Minister that he is anxious to hear the views of the Senators on the issue during the Second Stage debate. We hope to take Committee and Remaining Stages on 19 September when we come back.

Senator Thomas Byrne: Wards and emergency units will be closing.

An Cathaoirleach: The Leader, without interruption.

Senator Maurice Cummins: The Senator should allow me to reply to him. We will have Committee and Remaining Stages on 19 September.

Senator Thomas Byrne: The Government will then blame the IMF for the cuts coming next month.

An Cathaoirleach: The Leader, without interruption.

Senator Maurice Cummins: I am sure if I suggested that we were also taking the Committee and Remaining Stages today when announcing the Order of Business this morning, there would have been murder from the other side of the House.

Senator Thomas Byrne: It is for the greater good today.

Senator Maurice Cummins: For the greater good Committee and Remaining Stages will be taken on 19 September.

Senator Thomas Byrne: Government Senators will not be glad when the cuts come down the tracks in approximately three weeks.

Senator Maurice Cummins: Senator Bacik and several other Senators called for a debate on——

Senator Thomas Byrne: The cuts are coming and the Government need not blame the IMF.

An Cathaoirleach: The Leader, without interruption.

Senator Maurice Cummins: ——the format for the banking inquiry. Senators Paul Coghlan, Gilroy and others asked for such a debate. I will try to arrange that debate in the new session. As I outlined yesterday the Minister for Social Protection will come to the House for a two and a half hour debate. Many Members spoke about the universality of child benefit. Those issues can be raised with the Minister during that comprehensive debate, which should take place on 11 October.

I take on board what Senator Cullinane said and as I said to him yesterday if there is a need for a further debate on poverty perhaps we can have a debate on the reports he mentioned at a future date. We will need to have the Minister in for that also. Approximately ten Senators

[Senator Maurice Cummins.]

spoke on the issue this morning and I hope at least as many will contribute when the Minister is here for the debate on the issue on 11 October. We will have ample opportunity to discuss it. It will feed into the budgetary process and will be considerably more than we had in previous years. We hope to have many more such debates in October.

Senator van Turnhout expressed her concerns about the case she outlined. I will bring it to the attention of the relevant Minister. She also spoke about child benefit, as did many Members.

Senator Norris spoke about the Order of Business. Along with Senators Quinn and Mooney, he also raised the matter last week and Senator O'Sullivan mentioned it again. Early in the session I sat down with the group leaders and agreed that when sitting on Fridays we would not have an Order of Business. I am not sure if that was related to the Members of the various groups.

Senator David Norris: It was not.

Senator Maurice Cummins: Last week when that question was raised by Senator Norris, I asked all Members of the House to let me know by e-mail or otherwise whether they wanted an Order of Business on Fridays. I did not get one e-mail. Seven people contacted me to say they did not want an Order of Business. I asked for the opinion of everybody in the House and that was the response I got. We will not have an Order of Business tomorrow if the House so decides when we vote on today's Order of Business. If a majority of the House wanted an Order of Business on Fridays I was quite willing to accede to that request.

Senator Norris also raised the desperate situation in Bulgaria where a bus-load of Israeli tourists were massacred, which was atrocious. We all send our sympathies to all involved in that despicable event. The Senator also called for an examination of the air ambulance service and suggested that it should be based in Athlone. I will certainly relay that request to the relevant Minister. It was raised in a better way than the way that Senator Leyden raised the issue, which was terrible.

Senator Terry Leyden: Senator Norris is not from Roscommon.

An Cathaoirleach: The Leader, without interruption.

Senator Maurice Cummins: It was totally——

Senator Thomas Byrne: The family has asked for the hospital to be re-opened.

An Cathaoirleach: The Leader, without interruption.

Senator Maurice Cummins: I regard Senator Leyden's comments as totally inappropriate.

Senator Fidelma Healy Eames: I agree completely.

Senator Maurice Cummins: I do not like an attempt to get media comment from people's misfortune.

Senator Terry Leyden: It is reported in today's *Irish Independent*.

(Interruptions).

An Cathaoirleach: Can we please have the Leader, without interruption?

Senator Maurice Cummins: Senators Clune, Kelly and others called for a debate——

Senator Terry Leyden: I am sorry that I do not get as much coverage in the newspapers as the Leader does.

Senator Maurice Cummins: ——on energy policy. I will arrange for the Minister for Communications, Energy and Natural Resources to come to the House early in the new session.

Senator Thomas Byrne: The Leader should get the Minister of State, Deputy McEntee, into the House to explain his promises to the electorate.

Senator Maurice Cummins: I had a discussion with the energy regulator this morning. He is quite willing to come to the AV room in order to discuss the whole area with Members of the House and I will try to arrange that also.

Senator Kelly and several others also spoke about the security of rural post offices as well as the future of rural post offices and bank branches. For the banks it is a commercial decision. I know it has devastating effects on local communities to have bank branches and post offices closed. As regards security, I agree that every assistance should be given and protocols will need to be examined to secure our local post offices.

Senator Quinn spoke about the paper trail. We have repeatedly tried without success especially regarding the big brown envelopes, including the Order of Business and several other items. We still have them. I do not know what we need to do in order to rid ourselves of them, but we will continue to try.

Senator Mary M. White: It would put people out of jobs if we did not have them.

Senator Maurice Cummins: I will try to arrange a debate early in the next session on genetically modified foods, which should be very interesting. I am sure there will be people on various sides of the fence in that regard.

Senator Healy Eames made a very important point about innovation and how we had a changed nation regarding waiting lists. I am sure the Minister for Health will accept any assistance in this regard. I am glad he is taking on board the points she has raised.

Senator Reilly spoke about charging people extra for inserting fadas on their texts. That is a matter we can raise. As I believe there are exceptions for other countries, there is no reason for that not to apply here also. I will raise the matter with the Minister, Deputy Rabbitte. Senator Harte also spoke about post offices and banks. Senator Wilson outlined the additional facts which he intends to bring to the attention of the Moriarty tribunal. Any additional facts which are available should be brought to the attention of the tribunal. The cost of tribunals has been debated in this House on many occasions and if there is a need for a further debate on the Mahon and Moriarty tribunals I will arrange it.

Senator Barrett spoke about fiscal responsibility. I note that he raised the issue on the Order of Business and the Bill was published in the afternoon. If only I could do that on every occasion, but I am delighted the Bill was published yesterday. I note his points about the IMF report.

Senator Whelan raised the matter of O'Connell Street and the safety of the streets of our capital city. This is a problem and it was raised by Senator Marie-Louise O'Donnell and Senator Sheahan on the airwaves yesterday morning. I am informed that the Garda Síochána and the Garda Commissioner have been taking action to address this problem, not alone in the city centre of Dublin but also in the major cities, towns and rural areas. I will endeavour to have

[Senator Maurice Cummins.]

the Minister for Justice and Equality come to the House for a general debate on law and order and policing policies which many Members have requested.

Senator D’Arcy raised the issue of universal payments. We can have that comprehensive debate in the House on 11 October. I do not think there is any need for a referendum. Senator Mooney spoke about the cuts in the local authority budgets. I believe that more than 60% have paid the household charge and I urge everybody to pay the charge as it is the law of the land. The Government must manage the finances in the best way possible. We are still spending a lot more than what is being taken in. It is within our own power to address those problems. The Government is intent on getting the public finances back in proper order.

Senator Landy spoke about the carer’s allowance. If he wishes me to raise that matter with the Minister I will do so but I am sure he will raise those points with the Minister when she comes to the House. He is correct that delays such as he has mentioned should not happen. I have addressed Senator Cullinane’s request for a debate on poverty. We all agree that all workers should get their just entitlements. I note he has raised the matter of the brewery workers in Dundalk and their entitlements. Senator Coghlan agreed with Senator Bacik and others about the banking inquiry and we can have a debate on that issue in the new term.

12 o’clock
Senator O’Sullivan raised the matter of the Order of Business and I have addressed it. I welcome his comments on the Seanad. Senator Eamonn Coghlan advised us that the Olympic Games will begin soon. I join with him in wishing team Ireland every success at the Olympics. We hope that all those athletes who have put so much work and effort into their training will fulfil their dreams in the coming weeks.

Senator Keane spoke about the increase of the number of children in care and she asked for a debate about the children’s allowance and other issues and this debate will be arranged. Senator Mullen spoke on the same theme of State payments and he raised the plight of people whose small businesses have collapsed and who do not receive such payments. These matters can be taken in the same debate.

An Cathaoirleach: Senator Thomas Byrne has proposed an amendment to the Order of Business: “That all Stages of No. 4, Health (Pricing and Supply of Medical Goods) Bill 2012, be taken today.” Is the amendment being pressed?

Senator Thomas Byrne: Yes. We want to save the taxpayer €100 million and stop ward closures.

Amendment put.

The Seanad divided: Tá, 19; Níl, 30.

Tá

Barrett, Sean D.
Cullinane, David.
Daly, Mark.
Leyden, Terry.
Mac Conghail, Fiach.
Mooney, Paschal.
Mullen, Rónán.
Norris, David.
Ó Murchú, Labhrás.
O’Brien, Darragh.

O’Sullivan, Ned.
Power, Averil.
Quinn, Feargal.
Reilly, Kathryn.
van Turnhout, Jillian.
Walsh, Jim.
White, Mary M.
Wilson, Diarmuid.
Zappone, Katherine.

Níl

Bacik, Ivana.
 Bradford, Paul.
 Brennan, Terry.
 Burke, Colm.
 Clune, Deirdre.
 Coghlan, Eamonn.
 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.
 Higgins, Lorraine.
 Keane, Cáit.
 Kelly, John.
 Landy, Denis.
 Moloney, Marie.
 Moran, Mary.
 Mullins, Michael.
 Noone, Catherine.
 O'Keeffe, Susan.
 O'Neill, Pat.
 Sheahan, Tom.
 Whelan, John.

Tellers: Tá, Senators Ned O'Sullivan and Diarmuid Wilson; Níl, Senators Paul Coghlan and Susan O'Keeffe.

Amendment declared lost.

An Cathaoirleach: Senator David Norris also proposed an amendment to the Order of Business, "That No. 1, motion re arrangements for Friday sitting, be debated." Is the amendment being pressed?

Senator David Norris: In light of the Leader's reply it would be inappropriate to put it to a vote. I do not consider it to be a scientific survey and we do not accept it as such, even as an opinion poll, but I accept that he has given an effective contrary argument, so it would be inappropriate to press it. However, I will seek to have it back before the House in the next session.

Senator Maurice Cummins: I am open to the views of the House.

Order of Business agreed to.

Friday Sittings: Motion

Senator Maurice Cummins: I move:

(1) That, notwithstanding anything in the Standing Orders relative to Public Business, on Friday, 20th July, 2012 the Seanad shall meet at 10 a.m. and the following arrangements shall apply:

- (a) Standing Orders 29 and 30 shall stand suspended;
- (b) there shall be no Order of Business.
- (c) the business to be taken shall be confined to

(i) Committee and remaining Stages of the Residential Institutions Statutory Fund Bill 2012 which shall conclude no later than 12.30 p.m., and

(ii) Report and final Stages of the Electoral (Amendment) (Political Funding) Bill 2011 which shall conclude no later than 1.30 p.m

[Senator Maurice Cummins.]

No other business shall be taken unless the Seanad shall otherwise order on motion made by the Leader of the House or such other Senator as he may authorise in that behalf.

Question and put and agreed to.

Residential Institutions Statutory Fund Bill 2012: Second Stage

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

Acting Chairman (Senator Marie Moloney): I welcome former Senator Ann Gallagher to the Visitors' Gallery. I welcome the Minister for Education and Skills, Deputy Quinn, to the House.

Minister for Education and Skills (Deputy Ruairí Quinn): The primary purpose of the Bill is to provide for the establishment of the residential institutions statutory fund to support the needs of victims of abuse in residential institutions by the provision of a range of approved services. These services include counselling and mental health services, health and personal social services, and education and housing services. The establishment of the fund was proposed in the unanimous motion passed by Dáil Éireann when it debated the Ryan report some three years ago.

As we all know, the Ryan report catalogued horrendous abuse of children in residential institutions. The statements made in this House on the report reflected the shock felt by the nation at the findings of the commission. The litany and scale of the abuse recounted by those who suffered as children affected all of us. We, as a people, rightly felt shame for the abuse that we collectively perpetrated on innocent children. This tragedy was not perpetrated by the Vikings, Cromwell or the Sasanaigh; it was something we caused ourselves. Many of the victims continue to bear the scars of their experience. Consequently, the Bill before the House is intended to support those victims.

While I do not propose to address the Ryan report's findings and recommendations in detail today, I reassure the House that the Government is committed to implementing the recommendations fully. Significant progress has been achieved across the 99 individual actions and is detailed in the progress reports, which have been laid before the Houses. The new Department of Children and Youth Affairs has been established and will be complemented by the new child and family support agency. The new Children First national guidance was published last year, and the heads of the Bill to put Children First on a statutory basis have since been published. The Criminal Justice (Withholding of Information on Offences against Children and Vulnerable Persons) Bill 2012 has now been passed by both Houses. Preparations for the children's rights referendum are on target. Together, these initiatives will help protect our children and ensure that the horrendous abuse suffered by so many become a thing of the past. We all have a duty to protect children and to act when we know that children are at risk.

A comprehensive response has been put in place to address the abuse suffered by so many in residential institutions. The Commission to Inquire into Child Abuse afforded those who wanted an opportunity to tell their story to do so. The Residential Institutions Redress Board provided financial awards. While the board is continuing to process the remaining applications received, it is likely that some 15,000 former residents will receive awards. The national counselling service and the family tracing service provided by Barnardos are other important elements of the State's response.

As recommended in the Ryan report, the provision of a memorial to survivors is being pursued. In that regard, I am pleased to report that the announcement of the winning design is due to be made tomorrow. The memorial should be a place of solace and reflection as well

as a significant reference to a very different Ireland to which we must never return. I hope it will serve as a constant reminder that we must never let such horrendous crimes against our children happen again. The memorial is not just for the survivors; it is a reminder to us all.

The establishment of the statutory fund is a further important element in the State's response. While the redress scheme deals with the financial compensation for victims of institutional abuse, the statutory fund will focus on meeting the ongoing needs of former residents who suffered abuse, although that abuse might have taken place many years ago, by funding the provision of a range of services. The statutory fund will be financed from the contributions offered by the congregations.

Senators will be aware that the Government believes that the cost of the response to residential institutional abuse, which is now estimated to exceed €1.36 billion and reach €1.5 billion, should be shared on a 50:50 basis between the religious congregations that delivered the services and the State, which asked them to do so. I have put this to all 18 congregations in the past year or so and, as yet, have not received formal recognition by them, collectively or individually, that they accept they should meet 50% of the cost.

Under the 2002 indemnity agreement, the 18 congregations contributed €128 million, bearing in mind the cost is expected to exceed €1.36 billion. They contributed in cash, property and counselling services. Following the publication of the Ryan report, three years ago, the then Government and Dáil Éireann called on the congregations to make further substantial contributions by way of reparation. In their responses, the congregations offered cash of some €110 million and offered to transfer properties, mainly in the health and education sectors, which they at the time valued at €235.5 million, to various State agencies and voluntary organisations. The Government has identified 12 property offers, valued at approximately €60 million, as being of potential immediate benefit to the State and the transfer of these properties is being pursued. However, the contributions fall well short of the 50:50 target and with the cost of the response likely to rise, this gap is now widening.

Senators may be aware that I continue to pursue the 50:50 division with congregations. I have proposed the transfer of the ownership of school infrastructure at no cost to the State as one mechanism to allow those involved the opportunity to shoulder their share of the costs. I have given an assurance that the schools involved would continue in their ethos until they decide otherwise. I am also exploring the possibility of including health care properties in the ownership of congregations to be similarly transferred on the same basis.

I have made clear to congregations in my discussions with them that the Government has no wish to bankrupt them and I acknowledge the important positive role they have played in the development of Irish life, particularly in the area of education. I am a beneficiary of a superb education from wonderful men I encountered during my time. I am among the many lucky people who had this experience. However, it is not an experience shared by every young man and woman in the country. Having recognised all of this and the contribution they have made, I believe they have a 50:50 responsibility for the damage done and through whatever mechanism — I have offered one that will not in any way diminish their contribution to Irish life — they should discharge their responsibilities and the State can obtain a material good whose value is enormous.

The statutory fund to be established under the Bill is to be funded from the cash contributions received from congregations of up to €110 million. Contributions of €21.05 million have been received and are held in an interest bearing account in the Central Bank of Ireland. The Bill confirms the charitable status of these contributions and will facilitate the congregations' contributions to the fund and towards the costs of redress. While other congregations

[Deputy Ruairí Quinn.]

will forward their contributions on the establishment of the fund or at specified future dates, I continue to engage with some congregations on the timing of their contributions.

I will now address the key provisions of the Bill. The Bill provides that former residents who received awards from the redress board, or who received an award or settlement in court proceedings and who would otherwise have received an award from the redress board, will be eligible to apply for assistance from the fund. It is expected that approximately 15,000 former residents, whether living in Ireland or abroad, will successfully complete the redress process and be eligible to apply for services that they need.

Demands have been made to widen eligibility to include all former residents of scheduled institutions and to include in addition relatives of former residents. If eligibility were significantly widened to include, for example, all former residents of scheduled institutions, then the amounts available to fund services for individuals could be greatly reduced and the effectiveness of the statutory fund could be put at risk. Having regard to the maximum funds available of €110 million and the potential pool of 15,000 applicants, I believe the proposed approach is correct. I know people differ with me in this regard. I have always acknowledged that the question of eligibility could be considered following the establishment of the fund in the event of applications not resulting in a significant expenditure of the fund. Having regard to the views expressed during the passage of the Bill in the Dáil, I gave an undertaking earlier this week, which I repeat today, that the operation of the fund could be reviewed two years after its establishment and suitable adjustments made if this is the consensus on its operation. I believe this is a prudent approach. My priority is to establish the fund and to enable those 15,000 potential applicants already determined to be victims of the experience to access services.

There have also been some calls for the available money to be distributed on a simple *per capita* basis, while others refer to the possibility of a *pro rata* distribution based on the redress board awards, in other words equivalent to the amount of compensation received earlier. However, I must stress the purpose of the fund is not, and never was, a form of additional compensation. As far as we are concerned this issue has been dealt with by the redress board. The purpose of the fund is, as advocated in the original motion passed by the Dáil, intended for the support of victims. Eligible former residents will have a range of needs, with some likely to require more significant interventions than others. The approach set out in the Bill is intended to support these needs and I believe this is the correct approach.

Part 2 provides for the establishment of the residential institutions statutory fund board which will operate the fund. I will appoint the board, which will comprise nine members, four of whom will be former residents of scheduled institutions. The other members must include people who have knowledge of and expertise in the keeping of financial accounts and disbursement of funds; the management and administration of an organisation; or the provision of an approved service. It would be my intention to seek expressions of interest from suitably qualified and experienced persons for positions on the board and I will ensure the board is gender balanced, in so far as practical. Members of the board will not be remunerated although they will be paid reasonable personal expenses. The board will serve a maximum term of four years and individual members may and could be re-appointed but not serve more than two consecutive terms, in other words a maximum of eight years.

Section 7 provides for the functions of the board. These are that it will, in a manner that promotes the principles of equity, consistency and transparency, use the resources available to it to make arrangements for the provision of approved services to support the needs of former residents, and to pay grants to former residents in order that they may avail of approved services. The classes of services from which the board can determine the approved services to be provided are set out in section 8 and comprise mental health, counselling and psychological

support services; health and personal social services; educational services; and housing support services, including adaptation or improvement of real property but not including financial aid for the purchase, mortgage or charge of real property.

Many of these services are already publicly available and eligible former residents may have an existing entitlement to receive them, whether living here or in other jurisdictions. The board will have regard to the availability of such services and it is charged with securing the most beneficial, effective and efficient use of the resources available to it. The fund will not be used in substitution for publicly available services, rather it will supplement such services or if there are restrictions on the availability of public services, for example if there are lengthy waiting lists or limits on grants, then the fund may arrange for services to be provided. The board will also provide information regarding its functions and will evaluate the effectiveness of approved services.

Section 9 provides that the board will set out the criteria by reference to which it will make decisions on applications to it and it will do so publically. In determining criteria, the board will take account of the individual circumstances, including personal and financial circumstances, of eligible former residents. It will also assess the likely effects of the provision of the service on the health and general well-being, personal and social development, educational development or living conditions of former residents. The board can apply financial limits to services or grants provided. It can specify minimum standards to be met by service providers and the supporting evidence to be provided by applicants. The board can also determine criteria for exceptional cases where the standard criteria may be disregarded to address cases of hardship. These criteria will be freely available and open to public scrutiny.

In response to applications made to it by eligible former residents, the board can undertake the following approaches. First, the board can make an arrangement with a person, irrespective of whether the person is resident in the State, for the provision of an approved service to support the needs of a former resident. Alternatively, it may pay a grant to a former resident, to assist him or her to avail of an approved service.

The board will set out the procedures to be followed when making applications, when considering applications and when communicating with applicants on decisions. Decisions on individual applications will be made by the chief executive or delegated staff member. An independent appeals process is provided for in sections 21 and 22. Let me be clear with the House. An application for a service will be made to the board and it will be decided by the chief executive or a person appointed by that person. If the applicant is unhappy or dissatisfied with the response then there is an appeals process and that is set out in sections 21 and 22.

The normal provisions relating to the conditions of employment for the staff of the board and the appeals officer are set out in the Bill. The chief executive is accountable to the board and can be called before the Committee of Public Accounts or any other joint Oireachtas committee. Standard accounting and reporting arrangements will apply to the board. As the administration costs of the board will be met from the investment account every effort is being made to minimise the administration overhead. I will, for so long as I have the responsibility, keep a tight account and oversight of that particular provision.

Section 24 provides that the Residential Institutions Redress Board will furnish the board with the name, address and date of birth of recipients of awards. The board can only use the information to determine if a person is eligible to make an application to the board. This is an important feature as it means that eligible persons will not be required to submit proofs of residency and abuse in an institution. We are not putting people through that process again. We believe that the measure reflects the wishes of many former residents to have an easy to use application process. They will not have to make that journey again.

[Deputy Ruairí Quinn.]

The unauthorised disclosure of confidential information on a former resident is prohibited and constitutes an offence. Similarly, the making of a false statement or provision of false information to avail of a grant or service is also an offence. Section 25 provides that public authorities will co-ordinate their activities with those of the board. This is another very important provision and provision is made that when requested to do so by the board a public authority will nominate a liaison officer to deal with any queries that it may have. Many former residents have an understandable reluctance to engage with State services and these provisions should enable the fund to support applicants in this regard.

Part 3 deals with financial matters. It provides for the establishment of an investment account that will be established by the National Treasury Management Agency from which the board will be funded. The contributions already received, amounting to over €21 million, together with any accrued interest will be transferred to the account and further contributions received lodged thereto, up to a maximum of €110 million, excluding any associated interest. The agency will advance to the board the sums needed to meet its expenditure and the expenses associated with the appeals process. Any costs incurred by the agency will be met out of the investment account.

Part 4 dissolves the Education Finance Board and transfers its functions to the Residential Institutions Statutory Fund Board with regard to the moneys remaining from the €12.7 million contribution provided by the congregations under the 2002 indemnity agreement. The current staff of the EFB will transfer to become employees of the new board. The statutory fund will prepare final accounts of the EFB that will be laid before the Houses of the Oireachtas.

The Bill does not include provisions for the winding-up of the new statutory fund board. While it is envisaged that the board will be dissolved when the moneys at its disposal are expended, the precise timing cannot be predicted and accordingly it would be preferable to introduce amending primary legislation to dissolve the board in due course and not anticipate in advance how long it will have to do its work.

Part 5 deals with three issues. Section 42 addresses the charitable status of contributions by charities that ran scheduled institutions. It allows those charities to make cash contributions either to the residential institutions statutory fund or as contributions towards the costs of the response to residential abuse and to transfer property accordingly to the Minister. Such contributions and transfers are charitable gifts and I, as Minister, can receive same with the approval of the Minister for Public Expenditure and Reform and may direct that properties be transferred to other Ministers and other organisations, for example, to the HSE — soon to be abolished so that will mean properties are transferred to the Minister for Health and his Department — or to the VECs — soon to be abolished so that will mean the educational training boards. As congregations require the approval of the Commissioners of Charitable Donations and Bequests for Ireland to sell properties and use the proceeds to make contributions or to transfer properties, following detailed representations the Bill empowers the commissioners to authorise such property transfers and sales as contributions towards the costs of redress. These provisions will enable the congregations to make contributions towards the cost of redress.

Section 43 makes specific provision for the receipt of cash contributions that are in addition to those for the statutory fund. It provides that these contributions will be used towards the cost of the new national children's hospital. I shall explain the provision for the people in the audience. The fund has been established at €110 million. In my personal estimation we will be lucky to get that amount of cash. The motion of the Dáil was to fix the fund at €110 million.

In the unlikely event that we get more than €110 million — and I want everyone to be clear that it is unlikely — that money will go towards the national children's hospital.

Section 44 amends the Residential Institutions Redress Act 2002 to allow the redress board to strike out applications and requests to accept late applications where directions of the board are not complied with. The board is required to give at least 28 days notice of its intention to strike out such applications or requests. Provision is also made to allow an applicant to appeal a decision of the board to strike out an application under section 13 to the review committee. These provisions, in our view, will allow the redress board to finalise cases that it has on hand and will assist in the planning for its winding-up.

The Bill is an important initiative to support victims of residential institutional abuse. It is intended to provide compassionate support for those who continue to suffer the effects of abuse. This has been a long journey for all of us but the longest journey was travelled by the victims, some of whom are in the Visitors Gallery. There are no words of mine that can ever address the hurt that they endured. In my name, and in the name of every citizen of this Republic, I personally apologise to you. The Bill is one way of trying to compensate the victims but we will never fully do so and I want you to personally understand that. I commend the Bill to the House.

Acting Chairman (Senator Jillian van Turnhout): I thank the Minister, particularly for his words at the end of his speech. Group spokespeople will now have eight minutes each and I call on Senator Averil Power to commence.

Senator Averil Power: I thank the Minister for his address to the House and for being here for the debate. I shall start where he finished and before dealing with the technicalities of the Bill by offering my sincere sympathy to the victims of residential child abuse. As he said, many of the victims are in the Visitors Gallery. Earlier I met Christine Buckley on my way into the Chamber. To everybody in the country, she is testament to the bravery and dignity of victims who were subjected to unspeakable horrors. As the Minister rightly pointed out, it was done not just through the religious orders but with the acquiescence of the State and often with the direct knowledge of the State. The victims have travelled an incredibly long journey to get to where we are today both with the redress board and to finally introduce the statutory fund and other measures. I was quite young when I first heard Christine Buckley's interview on "The Late Late Show" on Goldenbridge and I could not believe that something like that had been done to children in this country. It is hard to speak on the subject and debate technicalities when the reality of personal stories is so evident. The abuse that children suffered will cast a scar long after this debate into the future. Member of this House will look back on this abuse as a dark and horrible part of our history. As legislators, the least we can do is to co-operate on the Residential Institutions Statutory Fund Bill to ensure we get it right for the people relying on us.

In that context I welcome the Bill, however we believe it is flawed in some respects and I will go into greater detail on that on Committee Stage. We are concerned that it is too restrictive. It is unfair to restrict it to people who received awards from the Residential Institutions Redress Board or an equivalent court settlement and not allow other groups to be eligible for redress. I want to read an e-mail from a survivor who articulates the restrictiveness of the provisions. He states that eligibility to the fund is being confined to those who received an award from the redress board or who have received awards pursuant to court action and who otherwise would have received awards from the board. However, this definition will exclude many of those who have suffered most from institutional abuse. There is strong evidence of high levels of abuse among people who are homeless, in places of detention and in mental health services who were therefore not in a position to make claims. Therefore, people who have not come to terms with

[Senator Averil Power.]

their abuse have not heard of the redress initiative or are so damaged that they did not have the financial or psychological resources to attend will be unable to receive assistance from the fund. In other words, some of those who have suffered the most and are most in need of help will be unable to benefit from a scheme designed to help survivors because of Government legislation. The State will have failed them not once but twice.

I hope the Minister will reconsider the amendments we tabled in the Dáil and that I will retable on Committee Stage. It is unfair and unnecessary in the greater scheme of things to exclude those who have suffered most.

One of the other gaping gaps in the Bill is to provide for the former residents of the Magdalene laundries and Bethany Home. I appreciate that work is ongoing on that issue and that Senator Martin McAleese is chairing the interdepartmental committee. As we all know from our time in the House, Senator McAleese is a man of extraordinary integrity. I have no doubt that victims will get a good hearing from him. I hope his report will bring justice to the victims of the Magdalene laundries and this legislation may need to be revisited in that context later.

On the broader issues of child protection, I welcome the Government's commitment to put the Children First guidelines on a statutory basis. It is important to ensure there is consistency across the country on how the guidelines are implemented. It is vital that all of the recommendations of the Ryan report are implemented. The Minister stated that 99 recommendations have been implemented to date but will he update the House on the expected implementation date for the remaining recommendations? The scale of failure identified in both the Ryan and Murphy reports means that the least we can do is implement their recommendations.

It is welcome that the referendum on children's rights will be held by the end of this year. I hope this is still on target. It will address the weaknesses identified in cases such as the Baby Anne case among others. All of the legislation relating to children refers to the child's interest being first and paramount, which is a key aspect of the UN Convention on the Rights of the Child, but the reality is that does not seem to be our constitutional position. I hope we can agree a wording on the referendum. I know the Joint Committee on the Constitutional Amendment on Children has done a lot of work and that all parties will get out and campaign hard to address it.

I now wish to raise an issue with the Minister which is in his area of responsibility, namely, the vetting of existing teachers. Yesterday the Teaching Council appeared before the Joint Committee on Education and Social Protection. While all new teachers are being vetted, the Teaching Council stated that it was still the case that 42,000 existing registered teachers have not been vetted. The reason is twofold. There is an issue with the Garda vetting unit but more importantly from its point of view, the Teaching Council is incapable of processing more vetting applications through the Teaching Council because of lack of resources. Given that the Teaching Council is self-financing and teachers pay their subscriptions to the council, I understand that it is consequence of the staffing embargo and the overall employment control framework, but there must be flexibility to apply commonsense. I know that is not just an issue for the Minister for Education and Skills but for his Cabinet colleagues. I appreciate that vetting is only one part of the solution for child protection, and that it will only pick up prosecutions or convictions. We have not yet legislated, but I hope it will soon happen, for soft information. I appreciate that it is only one aspect and that we need to put other safeguards in place. It is the least we can do. It gives some reassurance to parents that if somebody has a prosecution or a conviction, we will know and ensure the person is not in a classroom with children. We must address the issues that are preventing the Teaching Council from vetting teaching staff and I hope the Minister will ensure these issues will be addressed.

I am committed to ensuring the religious orders step up to the plate. I am angry. The Minister expressed his disappointment that the religious orders have not stepped up to the plate and provided the 50% contribution that they should.

Deputy Ruairí Quinn: They have not accepted the principle.

Senator Averil Power: They have not accepted the principle that they should. I would go further. It is ten years since this process started. It took a long time before the journey started. It was a long journey for the survivors in the Visitors' Gallery to get an apology from the Taoiseach. The then Taoiseach apologised in 1999. The redress board was set up under the Residential Institutions Redress Act 2002. Ten years later, the religious orders still have not accepted the principle of redress.

Nobody wants to bankrupt the religious orders, but as the Minister rightly said they have assets which should be transferred without further delay. No amount of money can make up for the horrors that children were subjected to both at the hands of religious orders and as I said from the State. It is an utter disgrace that the Minister still has to talk to them at this stage and we are debating legislation to provide for a statutory fund to which they still have not contributed their share.

This is a disgrace. All parties should publicly state that they will back up the Minister and tell the orders to do the right thing.

Senator Jim D'Arcy: I speak on this Bill with a deep sense of humility and inadequacy. I too welcome the survivors in the Visitors' Gallery. Unfortunately some of the victims did not make it this far. I took my daughter to the film "The Boy in the Striped Pyjamas" which is about a little boy in the concentration camps. She thought it was the saddest film we had ever seen. It was sad but it was not as sad as what happened in Ireland. I know the Minister is deeply affected by this and is fully committed to doing what he can to redress this terrible abuse of children, which cannot be redressed adequately.

We must remember that in April and May 1999, RTE broadcast the documentary series "States of Fear", produced by the late Mary Raftery. The documentary detailed the abuse suffered by children between the 1930s and the 1970s in the State child care system, primarily in reformatory and industrial schools. This documentary was the catalyst for the recognition of the pain, isolation and abandonment of many of our nation's children. With all the furore and anger over some of the "Prime Time" documentaries and other RTE investigations, we must also acknowledge the work done by RTE's investigative teams in this area. There must be a balance.

I noted Senator Power's points on eligibility and how some people may not have come to terms with their victimhood which in turn prevented them from applying to the redress board. However, that should not be a reason for blocking this Bill and its intentions. I welcome the Minister's commitment in the Dáil and here that the operation of the fund will be reviewed in two years. We all know the Minister for Education and Skills has been very accommodating compared with some other Ministers and I trust him 100% to undertake this review.

The Minister stated the religious institutions must be more forthcoming in the amount of money and assets they will hand over for redress. The transfer of schools, hospitals and lands to the State would be welcome. I hope in his negotiations on school patronage and pluralism, as well as on the 59 designated areas, that he will be able to work out an arrangement with the religious orders that will take these transfers into account.

Deputy Ruairí Quinn: We are not going to pay twice for them.

Senator Jim D’Arcy: I hope not but I think the Minister is getting what I am saying in that regard.

When the Bill was introduced in the Dáil, the Minister stated the litany and scale of abuse recounted by anguished voices caused us all as a people to be ashamed, a point he repeated here. He apologised to those whose childhoods were stolen and who in many instances could not live full lives as adults as a result. As a school principal for over 30 years, I always told the staff at the beginning of the year that they were more fortunate than the horse trainers, Vincent and Aidan O’Brien. While they would have the top two-year old horses with Derby, Prix de l’Arc de Triomphe and Kentucky Derby winners, the staff had the greatest gift in the world, namely, the children they taught. I always told them to take on their responsibilities on that basis. If an educator is not prepared to take this on, he or she should not be in education. At the recent INTO conference, the president of the Froebel College of Education informed me the college has linked up with Maynooth university for its new two-year training course. At the interview stage, the college will see if the candidates are suitable for teaching before embarking on the course.

The statutory fund is a significant additional response to address the horrendous abuse of children in residential institutions. It will fund the provision of counselling, health, education, housing and other services for these victims of abuse. It is expected 15,000 former residents will be eligible to apply. I welcome the establishment of the fund board which will be suitably qualified with a gender balance. Many of the services are already publicly available and eligible former residents may have an existing entitlement to receive them. If publicly funded services are already available, there is no need for the statutory fund to be used in this regard. However, with the county council grant system so narrow now, perhaps some of the victims will need access to the fund to avail of certain services.

Some have said the fund should be made available for relatives of victims. There are needs which may not be apparent now but will be in the future. In 1989, the Haemophilia HIV Trust was established in response to a call from the Irish Haemophilia Society for financial assistance for their members who had been infected with HIV through blood and blood products provided by the State. This fund is still in operation providing assistance for people with these needs. I see the statutory fund performing a similar function.

Senator David Norris: I salute the courage of the survivors of abuse in residential institutions. Some of their representatives are in the Visitors’ Gallery. Like all the Irish people, I honour them for the integrity, great dignity and courage they have shown. This is very personal information and the abuse they suffered was of a highly personal and damaging nature. Without their testimony, I doubt we would be here today. There was, for example, the testimony of Mannix Flynn who I am glad to say has managed to sustain a successful career as a creative artist and joined politics as a member of Dublin City Council. This gives meaning to the word “survivor” and that the people in question are not just victims. The people here today and those they represent are survivors in the positive sense. One can never overcome the kind of appalling trauma that was visited upon these citizens. However, they can and have shown they have the capacity through their struggle to achieve dignity. They have shown they can become survivors not just in a negative but also in a positive sense.

I welcome the Residential Institutions Statutory Fund Bill 2012. I remember when the then Taoiseach, Bertie Ahern, made an apology to the survivors of residential abuse on behalf of the Irish people. That was a moving occasion and the apology was appropriate. At that point compensation was promised. This Bill is a fulfilment of that promise and a necessary and appropriate one. I salute the Minister for Education and Skills for the determined way he has pursued this matter.

I was, however, frankly appalled at the deal done in the dying days of a former Government by the then Minister for Education and Science, Michael Woods. It was shocking, particularly because the then Attorney General had not been properly consulted nor had the appropriate advice been taken from the legal authorities in the Department.

Deputy Ruairí Quinn: Neither was advice taken from the Department of Finance which wanted a 50:50 acceptance in principle.

Senator David Norris: It was a shoddy and disgraceful arrangement. However, it is in place. One of the most significant aspects of this Bill and of the Minister's attitude is that he has determinedly pursued the demand, not just on behalf of the survivors but the people, that there should be an equal sharing of the burden of compensation. I stand 100% behind the Minister in looking for a 50:50 arrangement between the State and the religious institutions. They are getting off lightly.

However, the State was also involved. The State sent people to these institutions knowing some of the conditions that obtained in them. The State sent children, who were not represented in court and who had committed no crime except to have been born, to these places.

For that reason, it is welcome that a monument will be erected. That could be seen as a gesture. In the beginning, I was undecided about it and wondered if this is merely another way of washing our hands in public. However, such monuments have a certain power.

For example, in visiting Yad Vashem in Jerusalem, or on Holocaust Memorial Day, usually held in either City Hall or the Mansion House, with which the Minister is directly associated and which is always dignified, the reading of the names of the places where these events occurred is electrifying — Auschwitz, Belsen, Majdanek, Stuffhoff. There is the same kind of list here, with names like Letterfrack, Goldenbridge, Artane. It is astonishing for those of my generation who remember seeing the Artane Boys' Band in Croke Park. I thought how wonderful and fantastic it was that those young people were given this glorious opportunity to celebrate our Irishness and we were so lucky to have such institutions. I was stupid enough to believe that but I think an enormous number of Irish people felt like that.

I do not intend to revisit the Ryan and Ferns reports, etc. The records of this House will show that I spoke in detail on those. I spoke forensically, but not in any sectarian way. It is not appropriate to be sectarian or to batter particular churches, or even particular orders, because within each one of them there were good persons and there were also victims. I remember the days when I used to see crocodiles of 11 year old boys walking along, who had very little money but who had been enrolled into a free education on a kind of half-promise that they would join the priesthood before they ever had the opportunity, as mature adults, to reflect on what would be required of them. I remember hearing one man, who did not sexually abuse children but who physically punish them, his voice laden with emotion, state on RTE radio that he wanted to apologise for this. He had been a child when he was put in. His family would not allow him home. He came from a small farm in the west. He ran away and they sent him back stating that if he ever ran away again, they would disassociate themselves from him forever. He suffered there in that place. He got no instruction in how to teach except to belt the children with a strap, and he said he did. He managed to get out and he was given a £5 note, a cardboard suitcase and a second-hand suit. However, he got himself together, he got married and he had children, and he also is a survivor. I think that was a form of abuse, although I excuse nothing that was done. I have visited abroad where some of these orders have done good work. I have never believed in labelling any group. I would not categorise survivors of abuse. I would not categorise religious orders.

[Senator David Norris.]

I want to raise a couple of questions with the Minister. By and large, it is a good Bill. Like others, I want to see something done for the survivors of the Magdalene laundries. This issue is under review. This is another shocking matter. Apparently, people did not realise it. I understand that, for example, laundry went at one stage in the 1950s from Áras an Uachtaráin. Obviously, if the first citizen did not know, it is simply bizarre.

The other issue is the inclusion in some way at some point of Bethany House. The former Church of Ireland Archbishop of Dublin, the Most Reverend Dr. John Neill, wrote and asked that this should be redressed. That was an act of courage on his part. I attended a ceremony at a point in Mount Jerome Cemetery where there were 300 children buried in an unmarked grave.

I am glad that there is accountability. That is very important in financial matters.

The question of confidential information is to a certain extent covered. I am a little concerned about the question of the Freedom of Information Act being applied. I hope that this would not be done in any way that would impinge upon the rights and privacy of those involved.

With regard to the board, I trust this Minister but, usually, I am very much against the idea of a board being appointed. The balance is reasonable. I am glad that there are survivors.

Finally, I raise the exclusion of anybody who is nominated to Seanad Éireann for a particular reason. I mentioned Councillor Mannix Flynn. I see no reason for it and think this House would be enhanced if, for example, one of the survivors was in a position to stand for election. When the Senate is reconstituted, including the nominating bodies, perhaps the survivors of abuse should be one such body. The debates in this House, particularly on these continuing reports, would be enhanced rather than diminished by a representative voice which could speak authoritatively from that experience, rather than persons sitting in the Gallery.

Senator Mary Moran: I welcome the Minister back to the House. I thank him for his speech today which I found powerful and for his work throughout the year in the Seanad.

The Residential Institutions Statutory Fund Bill provides for the establishment of the statutory fund to support the needs of former residents of residential institutions as endorsed in the unanimous motion of the Dáil following the recommendations and publication of the Ryan report. The Bill is necessitated by the long-standing failure of the State to take proper care of its young and most vulnerable citizens and is only one element of the State's response to the litany of horrific abuse carried out in these institutions.

Cash contributions of over €110 million from the religious congregations who managed these institutions will finance the fund. I welcome the Minister's comments today that €21 million has been received from such religious congregations to date and his commitment today on continuing to work on the progress on agreeing to obtain the balance.

Eligibility for the fund, as the House now will be aware, is confined to those who received an award from the Residential Institutions Redress Board or who received an equivalent court settlement. The Bill also provides for the dissolution of the Education Finance Board and the transfer of its functions to the Residential Institutions Statutory Fund Board.

It is estimated that approximately 15,000 potential people will benefit from the fund. I welcome the Minister's comments that those who gave evidence in the commission on child abuse will also be eligible to apply where they received redress board awards and his firm commitment that eligibility is not confined to those living in Ireland, as former residents who received redress board awards will be eligible to apply for assistance irrespective of where they live, which is important as 40% of the applicants to the redress board now live outside Ireland.

The Ryan report revealed one of the darkest eras in the history of the State in the 20th century, and there were many dark times in that period. Ireland let these innocent children suffer. As the Minister stated, we cannot blame any other country. We cannot blame any other system for the wrongs. These injustices were carried out on our own people, in our own country, by our own people. It was a contradiction that, despite being run by many of the religious institutions, the treatment of many of the residents of these institutions by the religious congregations goes against core Christian beliefs of love and honouring one another. Indeed, we now know that the abuse that these children underwent in so many industrial schools operated by the Catholic Church has caused lifelong damage and deep scares for the survivors. The Ryan report exposed horrors which confirmed that these children were often treated like prisoners and slaves rather than persons with legal rights and human potential.

However, it is not only the church authorities that were at fault. The State also turned a blind eye to what was going on with Government inspectors failing to stop these ongoing abuses. They also turned a blind eye to what was going on with Government inspectors failing to stop these ongoing abuses. We owe it to the survivors to make amends for the terrible injustice done to them.

The Bill is a continuation of the process of making amends by the State for the abuse and suffering of a particularly vulnerable set of children. I welcome Ms Christine Buckley and the other survivors who have joined us in the Gallery today. As other Senators have done, I commend them on their courage, bravery and perseverance in trying to get justice. I salute them as citizens of this country. I was also delighted to have had the pleasure of meeting Mr. Paddy Doyle, the long-time disability rights campaigner and advocate for victims of institutional abuse, when he received the lord mayor of Dublin award two years ago for his outstanding work in this area. It is a testament to their bravery and strength as victims of these institutions that they never gave up and continually fought for justice. I thank them for giving other survivors the courage to come forward when they otherwise might not have had the courage to do so.

The establishment of the fund follows extensive consultations with the survivors of residential abuse and a public consultation process. The fund will now take on responsibility for providing information for survivors and therefore the funding of survivor groups will end. I stress the importance of transferring the responsibilities with the greatest of care so that no mistakes are made. The fund will have the power to hold and dispose of land and may acquire, hold and dispose of any other property. I greatly welcome that four of the members of the nine member board will be former residents of institutions. Their insight and experience will be invaluable for the success of the board. I agree with Senator Norris that we need to hear the voices of survivors such as Councillor Mannix Flynn and Ms Christine Buckley. I thank them from the bottom of my heart for giving us such an insight.

There is some discrepancy between parties on the needs of the eligible former residents. Those needs will vary with some requiring more assistance than others. The essential function of the fund will be to use its resources to provide the services and supports for the former residents. The Minister in his contribution referred to the services, which will include counselling, psychological and mental health services, health and personal social services, educational services, and housing services. Provision is made for the Minister to prescribe further classes of services to be added to those set out in the Bill. I welcome his courage in committing to review this in two years, which indicates his seriousness.

I also refer to the erection of a memorial for the victims. As the Ryan report stated, this is invaluable as a place to be visited by not only the victims but also their families and other

[Senator Mary Moran.]

people who have just learned about it. It will be a communal place where we can all share and remember so that we will never make the same mistakes again.

I urge the Minister to pursue the 50:50 proposal with the religious congregations. As a person who received a convent education, I do not want to see any ailing congregations being bankrupted. Many have stated that they have no more money to give and that valuations were carried out in the time of the boom. I fully support the Minister in his bid. It is appalling that they have got away with it for so long. The responsibility must be shared equally between the State and the religious organisations. I admire the Minister for asking them to hand over the title deeds of the educational and medical infrastructure they own. Many of the convents are becoming empty owing to dwindling numbers and the old age of those who remain.

I wish to mention a very dear friend of mine who was a resident in an institution in my home area. She recounted tales to me that owing to a slight disability — she had a turn in her eye — she was not allowed to answer the door of the convent when people came because she did not look well enough to be there. She was not even deemed well enough to polish the front hall in case people might see her. We need to bring closure to this matter and move on. I again apologise on behalf of us all.

Senator Kathryn Reilly: Our starting point must be to accept a number of facts, many of which have been laid out already. We need to acknowledge the suffering and bravery of the victims and survivors, some of whom are in the Gallery. It is humbling to hear their stories and how they continue on despite all that has happened to them. We must also acknowledge that they were failed not only by the church and the institutions but also by the State. Government after government tolerated this brutal situation for decades. The purpose of what we are doing today is to allow the State to right in a very small way the wrong it did or allowed to be done to its citizens. That is not in any way to detract from the culpability of the individuals who perpetrated these horrendous crimes and the organisations and church which defended and hid those criminals. The legacy of the religious orders in these institutions is one of sexual, physical and mental abuse. The State compounded the pain and damage to our most vulnerable children by its decision to turn a blind eye to what was happening.

In that regard I record my party's disappointment at the State's refusal to acknowledge its role in the abuses that took place in Bethany Home and the Magdalene Laundries, and therefore the rights of victims of those institutions. In opposition, the Labour Party took the position that the survivors of those institutions should be included in the redress process. We are disappointed that many other victims are excluded under this legislation. Those victims, who for very understandable reasons of mistrust or fear did not avail of the current redress board, should not be excluded under this scheme. That would be a terrible injustice and we have tabled amendments to correct this on Committee Stage. Survivors living outside the State are still Irish citizens who are owed compensation from the State and should not be excluded. Their needs must be met regardless of where they are in the same way that those survivors living at home are entitled to have their needs met. These people account for 40% of all claims and must be included.

When the Ryan report was published in 2009, Irish centres in Britain were inundated with inquiries from people wanting to apply for redress. Many people who had lost all contact with Ireland knew nothing about the redress board and were unaware they had a right to apply for recompense as an acknowledgement of the hurt they had suffered. There were serious problems with informing people of their entitlements under the redress board, and publishing advertisements in a handful of Irish and British-based newspapers failed to take into account the wider diaspora spread throughout the globe who were unaware they could apply to the board.

According to Right of Place at least 150,000 children and teenagers went through orphanages, industrial schools and centres for young offenders, with many suffering abuse at the hands of religious orders and others in charge of their care. An estimated 100,000 left Ireland afterwards with at least half believed to have travelled to the US. However, it is believed that only a fraction of those are aware of the existence of the redress board. Earlier I mentioned that the State compounded the pain and damage of their most vulnerable children by the decision to turn a blind eye to what was happening. The State, these Houses, the Minister and all of us here cannot now turn our backs on those survivors who are excluded from the fund through the stringent eligibility criteria.

These survivors have waited an incredibly long time for justice, or at least for recognition, and the legislation needs to be tightened to ensure it does not become another excuse for drawing out the suffering any longer. That means inserting time limits within which the State must act and in which the religious organisations must pay up or face fines and additional costs. Sinn Féin believes the idea of means testing is wrong and we will table amendments to rectify the injustices not addressed in the legislation. The aim of the amendments will be to make it an inclusive fit for purpose fund that will help survivors, wherever they are, to benefit from the possibility of redress. This is the last chance we as representatives of the people have to stand up for those in the State who have been let down in the past. The fund can be a symbolic way of addressing the past but if it is not a practical fund for aiding survivors, wherever they are, and their families, it will be a failure. Eligibility is confined to survivors who received an award from the redress board or an award following a court decision or a settlement who would have otherwise received an award from the redress board. Sinn Féin cannot support the Bill because in our view this definition of eligibility is not good enough. People deserve better after all these years and all their suffering.

Acting Chairman (Senator Jillian van Turnhout): I have four more speakers and I am quite conscious of time to ensure we allow the Minister to respond.

Senator Martin Conway: Cuirim fáilte roimh an Aire go dtí an Teach. I will not go over ground which has already been covered in the contributions made on all sides of the House, which have been very powerful. The Minister's contribution was worthy of him and we know his capabilities and his genuine interest in doing things the right way. I acknowledge the people in the Gallery, many of whom suffered, particularly Christine Buckley with whom I had the pleasure of spending an evening this time last year.

What happened over the past number of decades and the failure by the State and the religious orders to do the right thing is a shame on society. As has already been said, we cannot blame anybody for it but ourselves. This is why we must take responsibility and do the right thing. The Bill is a step in the right direction to try to ensure the right thing is done and make a fund available for this necessary work. It is appalling to think the 50:50 understanding which was envisaged has not been honoured.

Deputy Ruairí Quinn: It was betrayed by the then Minister, Mr. Woods, at the very beginning because he capped it.

Senator Martin Conway: Absolutely. It was appalling. The behaviour of previous Governments in this regard was appalling. To be frank, it is not too late for the religious orders to do the right thing and step up to the plate and it would be the greatest recognition of wrong if they did so. The Minister is prepared to work with the religious orders once they do the right thing and I call on them to do so. However, when one sees the behaviour of Cardinal Brady

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in recent times and his sloping shoulder syndrome it is regrettable. The shame is that many decent people in the Catholic Church have been tarnished by this behaviour.

This is important legislation and I support it. I acknowledge the Minister has given a clear commitment that in two years time he will review it if necessary, and the work being done by Senator McAleese may very well make such a review necessary. We will have to wait and see. I spoke to Senator McAleese recently and I know he is putting in many hours of effort to get the report done as quickly as possible. We have somebody of the highest integrity working on the report——

Senator Mary Moran: Hear, hear.

Senator Martin Conway: ——and I have enormous faith in him. The result will be another step in the right direction.

This is a difficult subject to speak on without being emotional. The sense of shame we all feel is palpable. The contributions made today reflect this sense of shame. All we can do now is try to do the right thing. It makes no difference to what happened in the past because nothing will ever compensate for it, but all we can do is try to take steps in the right direction and do what is correct and proper.

Senator Marie Moloney: I welcome the Minister to the House. I have been involved in many debates in the House but I have never been involved in one so sensitive and I have never seen such an emotional response from a Minister. I welcome the visitors in the Gallery. I apologise for being emotional but many of my colleagues do not know that my father spent his early years in an orphanage. He was one of the lucky ones who was, along with two other boys, adopted by a lovely couple. He died a young man and to the day he died he never once spoke to us about his days in the orphanage.

I welcome the establishment of the statutory fund to support requirements of survivors of residential institutional child abuse. I welcome the fact the fund will provide counselling, health, education, housing and other services for those victims of abuse. I salute their courage for having come forward. If they had not come forward to speak this may never have come to public knowledge. We give out about the media but on this occasion we owe them a debt of gratitude that this entire affair was blown open.

The publication of the Ryan report shocked us all. We must do everything in our power to support the victims of institutional abuse. These people lost their childhood, their lives and their meaning for existence because of the time they spent in these institutions. The appalling and systematic abuse by those who should have been protecting, nurturing and educating them is beyond comprehension. It leaves us lost for words.

I note from the Minister's speech that the fund will not be used in substitution for publicly available services. I agree with this because we all know the length of waiting lists in the country at present. I can see there being a big demand for private counselling. As 40% of the people are living abroad, and we cannot control the public services in other countries, there is only one way they can access such services and that is through the fund. A great deal of money will be required from the fund. We have €21 million where we require €100 million and I am concerned about this.

Deputy Ruairí Quinn: There are some explanations which I will offer in my response. There is money ready to come in but there is a delay because of certain issues. It is not a reflection of a reluctance to pay.

Senator Marie Moloney: Nor did I indicate this; I am concerned about the amount of money available to us at present to proceed with providing the services the people need.

I also welcome the contribution being made to the new national children's hospital. However, we will not hold our breath on this. I will not take up too much time because I am aware the Minister wants to respond.

No money will ever make up for what people went through in these institutions. However, through this fund I hope extra support can be given to those who continue to struggle and are affected by the after-effects of what they went through. It is a damning indictment on all of us as a society that this abuse was allowed to happen in the first place. I hope the child protection legislation and the Garda vetting legislation will go a long way to ensure it never happens in our country again. When we look at the people today we see adults but we must never lose sight of the fact these were vulnerable little children who were put into care and the trust was broken. It is horrible. I hope the establishment of the fund will go some small way to help people on the road to a normal life, to leave behind their horrendous memories and cast aside the shackles many of them have carried through their lives. Like everyone else I offer my sincere apologies for what the children had to go through.

Senator Rónán Mullen: Go raibh míle maith agat. Ba bhreá liom fáilte a chur roimh an tAire. I welcome the Bill in so far as it goes. It is good and wholesome that we are at this point with a statutory fund and that more will be done to assist those who suffered abuse of any kind in institutions over the years. I was not in a position to hear the Minister's comments. Am I correct in thinking that the only people who will benefit from the fund are people already included in the redress scheme?

Deputy Ruairí Quinn: Yes.

Senator Rónán Mullen: If that is still the case then the provision undermines all of the Government's pretensions to goodwill on this issue. Either the Bill cares for people who have suffered or it does not. It may not be fashionable to say the following but among the people who have made the case most strongly to the Minister are some of the religious orders who have contributed to the fund. They have sought to have greater responsibility placed on the members of the statutory fund to seek out beneficiaries. They believe that beneficiaries should include persons who are former residents of the institutions.

There are two issues here. First, what people who have suffered abuse over the years deserve. Second, how the State should interact with other players, particularly the religious orders, around apportioning responsibility retrospective for costs. I do not see how the Minister can have any moral authority by calling on religious orders to contribute any percentage of the funds if he does not see that it is fundamentally unjust to exclude people who did not come under the remit of the old redress scheme, not least when one considers the fact that many people were out of the jurisdiction. We all know that people, for various reasons, times and place, are not in a position to seek the help that is available. Perhaps he will give me a good and humane reason for the exclusion.

I admire the Minister's intellect and determination to deal with the issue even though I do not always agree with him. I am open to hearing a good explanation from him. If the legislation is about bean counting, bureaucracy and the State covering its ass then there is no excuse for it. There can be no moral authority behind such a position. In that context it renders somewhat fraudulent, to say the least, any portrayal of the issue. The Government holds all of the PR cards over and against the religious orders who, as we all know, are very poor at playing the PR game. Fair is always fair. I do not believe and would discourage the religious orders from buying into the notion that they have 50% financial responsibility. The history of the issue is

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that the State quite rightly wanted to put redress in place in order to prevent people from having to go through courts and experience difficult adversarial processes which would be even more hurtful to them. By doing that it opened up the State to a degree of risk because when the probative burden comes down a greater risk is created. Everybody agreed, as a matter of societal justice, that it should happen. It was in that context that the State approached religious orders to contribute but the State did not have a clear handle on how much the matter would eventually cost. The religious orders did want in, for good and pragmatic reasons, and were afforded certain protections for joining the redress scheme. The State, even in these times of tremendous difficulty, has much less finite resources than individual religious orders who have varying levels of commitments and one cannot compare the two. Those commitments involve not just looking after their older members, but ongoing pastoral care and they do so much good work in the State even now. The Minister and the Government have made passing reference to that from time to time.

There is a tendency here to shift a moral responsibility onto the religious orders without being open to a proper assessment of all of the religious orders and their members and the vast majority of good ones have contributed over the years. If the Minister were to put a value on that then he might change his tune about the 50:50 sharing of cost. There is a fundamental dishonesty underlying the issue and that in no way undermines the cause of redress. For example, the Christian Brothers will put in another €30 million or €10 million in cash over a period. The organisation has already given the Minister a cheque for €4 million. To be honest, if the holes that I think are in the Bill exist then I would encourage the order to stop its cheque until changes are made. The only reason that I would not encourage the orders to do it would be because I would not like to see a delay, even by one day, in the help and assistance that is people's due. It is entirely wrong to mix the issue with the divestment of properties in the context of education. That serves another agenda and does nothing to assist the cause of people who deserve redress. That is all about the State working out its particular agenda on education. It is wrong to mix those issues and I have said so to the Minister before. The Minister and I addressed Jesuit boards a number of years ago and I warned him then.

Deputy Ruairí Quinn: I remember it well.

Senator Rónán Mullen: I take serious exception to the proposal.

Acting Chairman (Senator Jillian van Turnhout): Time, Senator. I want to allow the Minister to speak.

Senator Rónán Mullen: I apologise for going over time. I want my words to be understood but in the context of my entire support for redress for all of those who were abused and victimised over the years.

Senator James Heffernan: I welcome the Minister and thank him for doing such important work in this regard. I welcome the fact that he will continue to pursue a 50:50 scheme and that he has committed himself wholeheartedly to doing so. I hope that he gets the same commitment from the religious orders. We do not seem to have got that up to now but I am sure that pressure will come to bear on them.

I wish to read a few quotes from the Commission to Inquire into Child Abuse into the record, particularly chapter 8 which deals with the Letterfrack Industrial School, County Galway. It stated: "Corporal punishment in Letterfrack was severe, excessive, pervasive and created a climate of fear," a fear that we cannot begin to imagine. The name "Letterfrack" strikes terror into the hearts of many people. Further in chapter 8 it stated: "Sexual abuse by Brothers was

a chronic problem in Letterfrack.” Well known abusers were sent to Letterfrack which was found to be “an act of reckless disregard”, especially in a place so remote and isolated. Abuse of unimaginable terror went on in industrial schools around the country and, as a primary schoolteacher, I cannot even begin to imagine that terror. I welcome some of the victims and survivors here today and their testimony speaks for itself. Last summer I visited Letterfrack when I was on my honeymoon.

Deputy Ruairí Quinn: It is beside a national park.

Senator James Heffernan: It is a bleak spot and difficult to find.

Deputy Ruairí Quinn: Yes.

Senator James Heffernan: I went there to reflect and pay my respects to the thousands of people who have passed through its gates. The industrial school was opened from 1885 to 1974. It was with great difficulty that I found the school because there was no signpost and nothing to indicate where it was.

Deputy Ruairí Quinn: Just signs for Connemara National Park.

Senator James Heffernan: Exactly. It is like the place was swept under a rug and painted over so that we would all forget. After touring around the site I was disturbed to discover that there was no physical reminder to inform people and visitors of what went on there. Eventually I came across a sign for a graveyard up a side road and across from a building that housed the brothers that is now being used as a hostel. The sign was only the size of an A4 page. I had to go through a thicket of trees to eventually discover a small graveyard with 77 little headstones and a cross at either end. I walked around and read the names and ages etched on the grave-stones. I found it quite shocking. What was most poignant, and I would urge Members to visit there and bear witness, were the little colouring pages, toy cars, dolls and footballs, the things we associate with childhood. The Minister can correct me if I am wrong but I found some evidence on the site that it is in the ownership of the VEC. I do not know if it is being used for adult education or is a Youthreach facility.

I welcome that there will be a national monument. However, Mannix Flynn has said this was our holocaust. I have been to Germany and have visited Auschwitz and other concentration camps which have been preserved as a reminder of what can happen. I urge the Minister to do something with that site; perhaps he could make it a memorial site. He should put the testimony from the survivors on the walls, as well as the pictures of the brothers who perpetrated that violence against the children, for all to see. That will bring it out into the open so we will all ensure that this type of thing can never happen again.

Minister for Education and Skills (Deputy Ruairí Quinn): How much time do I have?

Acting Chairman (Senator Jillian van Turnhout): The debate is due to conclude in four minutes but I am sure Senators will be willing to allow the Minister to speak.

Senator Mary Moran: I propose an amendment to the Order of Business: “That the Minister be allowed to speak for whatever length of time he considers appropriate.”

Acting Chairman (Senator Jillian van Turnhout): Is that agreed? Agreed.

Deputy Ruairí Quinn: I thank all the Senators who contributed for the sincerity of their contributions. I particularly thank Senator Averil Power of the Fianna Fáil Party for her opening response. This is an emotional time for all of us, but it is also time to look at what we have

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said and what we must do. I will address the issues that must be addressed in the limited time available. If I do not refer to all of the points that were made, I apologise. We can discuss it in further detail on Committee Stage tomorrow.

With regard to including other categories, the Government has had to make the difficult decision to form a benchmark, which includes 15,000 people who have gone through the process. It does not include all of the people who have gone through the institutions, no more than the victims of bullying in our primary school system include all the people who have gone through our primary school system. There were those who were abused in the institutions and there were some who may have had very lonely and horrible experiences, but they were not in the category of being physically abused in the way that others were. There must be a cut-off point so the fund of €110 million will have some remedial and effective impact on the survivors. I accept the point made by Senator Norris, that there are victims and survivors. There are victims and survivors in the Visitors Gallery today, and I salute them.

Why do we not include Bethany House, all the people who have been through the system and people in the Magdalene Laundries? It is for another time to address the Bethany House and Magdalene Laundries people. I will refer to the points that Senator Mullen made but in some cases, sadly, some parents felt so ashamed of their daughters that fathers voluntarily put them into the Magdalene Laundries. Where did that shame come from? It was from an authoritarian church that said one cannot have a sinner living in one's house.

Senator Rónán Mullen: No, that is a tabloid version of history. It is part of the story but that is not worthy of the Minister.

Deputy Ruairí Quinn: The Senator opened this up.

Senator Rónán Mullen: I will happily engage with the Minister on it in an equal forum——

Acting Chairman (Senator Jillian van Turnhout): The Minister without interruption.

Senator Rónán Mullen: ——but that is far too rhetorical and simplistic. The Minister is capable of much better than that.

Acting Chairman (Senator Jillian van Turnhout): The Minister without interruption. Please let the Minister respond.

Senator Rónán Mullen: I respect the Minister, but that is not worthy of him.

Deputy Ruairí Quinn: I will quote the Senator shortly, but I will first deal with the general point. Not everybody who went to the redress board either got compensation or had recommendations made and not everybody completed the application, for all sorts of reasons which we will never fully understand. We can guess, but we do not know. Given the limited amount of money, we have had to confine it to the category of people who were victims of abuse, went through the process and were recognised. At another time this House will hear from Senator McAleese about his recommendations relating to the Magdalene Laundries. The issue in Bethany House is more complex.

However, my undertaking to review the operation of the fund in two years is sincere, and I will formulate some concrete proposals for Report Stage as to how I propose to do it. The review will not commence after two years. There will be an ongoing review and there will be a report on progress achieved at the end of two years. That is my intention but I wish to discuss with colleagues and officials how we can do that. It is my intention, in principle, to tell the

incoming board when it is appointed to keep a running record, so to speak, so we can review progress, as one would in any normal organisation, to assess whether we are achieving the objectives we set out to achieve and whether the money will be drawn down. If there is spare money available, we can look at where that is but we must get the money in first.

Senator Kathryn Reilly, whose presence in the House I welcome, put some statements on the record relating to the attitude of the Government. That is her right as a Senator in the Opposition. I have used that position myself in the past. However, in return, I make a request to the Senator. She is a young woman with a long career ahead of her and she belongs to an organisation that has a long history. She could address the hurt of the relatives of the disappeared, whom the Provisional IRA murdered and some of whom are buried in this State. She could call upon some of the veterans who are cherished and celebrated in her party's ranks to come forward in whatever way they can to inform the authorities where the remains of the disappeared are so their relatives can give due recognition to the rites of passage and burial. The Senator has the influence to do that. She is a respected Member of the Oireachtas and has authority in her party. I ask her to consider using her influence in that respect.

I will quote Senator Mullen. He can correct me if I am wrong but the record will show it and we have tomorrow to discuss it in detail. The Senator said I do not have the moral authority to call on the religious orders to come forward on the principle of the 50:50 ratio.

Senator Rónán Mullen: On the basis of the limitation of the redress.

Deputy Ruairí Quinn: Yes.

Senator Rónán Mullen: I believe that undermines the Government's moral authority.

Deputy Ruairí Quinn: I have repeatedly said that I am a very happy adult who received a wonderful education from what is now the Spiritan Congregation in Ireland, formerly the Christian Brothers. The Senator has heard me say this many times in private and in public. Incidentally, in my 12 years with that order, I did not know anybody who was the victim of abuse. However, the reason I have asked the religious authorities for the 50:50 deal and that I have said that we do not wish to bankrupt them as we respect very much the contribution they have made——

Senator Rónán Mullen: And are making.

Deputy Ruairí Quinn: Yes, the contribution they are making. They have said to me that they do not own the property any more as it has been assigned to a trust. I said: "Come on."

Senator Rónán Mullen: I am on one of those trusts.

Deputy Ruairí Quinn: Okay. Then I invite the Senator to look at the title deeds and the legal documentation of the trust. The Senator is a qualified person. In the event of the trust disintegrating or disappearing, am I correct in understanding that the properties managed and administered by the trusts would revert to the religious order? The Senator will find that I am correct, but we can have that discussion tomorrow.

Senator Rónán Mullen: The Minister will have to look at the *cy-près* doctrine as well.

Deputy Ruairí Quinn: I am saying this because in my constituency two secondary schools were closed unilaterally by religious orders, in some cases where money had been provided by the State to build the buildings. Happily, in one case, that building has now been repurchased

[Deputy Ruairí Quinn.]

by the State. I know the religious orders do not have the financial resources available to reach the €100 million that would be required.

Senator Rónán Mullen: They might not feel they ought to be required to. That is a separate issue.

Deputy Ruairí Quinn: I will address that question momentarily. Let me address the first question. These are the owners of a massive infrastructure, including two hospitals in this city, St. Vincent's Hospital and the Mater Hospital. It will cost us €600 million to build a new children's hospital. The religious orders own the two buildings and, when they
2 o'clock are no longer using the buildings as educational buildings under the patronage they choose, they could deed them to the State rather than sell them off. That is all I ask. It continues as a Catholic school under the patronage and ethos they choose but, if they are to dispose of them as they have done in the past, the State will have first claim on them.

Senator Rónán Mullen: It is their call how they dispose of them.

Acting Chairman (Senator Jillian van Turnhout): We are taking the debate on Committee Stage tomorrow. I invite the Minister to speak without interruption.

Deputy Ruairí Quinn: The religious orders were 50% complicit in the abuse to which Senator Heffernan referred but so were the rest of us. Civil servants examined those places and saw what was going on but they did not report it. Why did they not report it? Why was the predominant culture of Catholic Ireland in the 1950s——

Senator Rónán Mullen: There the Minister goes again.

Deputy Ruairí Quinn: Senator Mullen raised the question——

Senator Rónán Mullen: And the Minister is answering it incorrectly. The Minister should consider other countries and the cover-up that is still going on in what he describes as post——

Acting Chairman (Senator Jillian van Turnhout): Senator Mullen had his opportunity to speak.

Senator Rónán Mullen: It is far too simplistic.

Acting Chairman (Senator Jillian van Turnhout): I ask Senator Mullen to allow the Minister to speak without interruption.

Deputy Ruairí Quinn: Why did observant Catholics in the Civil Service, in the Department of Education and elsewhere, feel so compelled that, in some cases, they were not prepared to act? This has been speculated on because we can only imagine. I am not quoting any document or evidence. Why was there an atmosphere such that, when the Garda Commissioner communicated with the late Dr. Charles McQuaid about suspicions of abuse, the file was left sitting there? In so many other cases, there was a sense of self-censorship for whatever motivation or reason.

Senator Rónán Mullen: It is not just religious, ass-covering still goes on in our society and people still protect one another. Institutional thinking continues.

Acting Chairman (Senator Jillian van Turnhout): I ask the Senator not to interrupt.

Deputy Ruairí Quinn: The religious orders have a particular vocation and I admire and respect them for what they have done, but they are representative of a wider Catholic community. I think Senator Mullen will accept that definition without prejudice.

Senator Rónán Mullen: It is a wider society, not just Catholicism.

Deputy Ruairí Quinn: No, a very self-assertive Catholic community that imposed its value system on the secular State.

Senator Rónán Mullen: Those values of neglect were not Christian values. They are found in institutions——

Acting Chairman (Senator Jillian van Turnhout): Senator, we are not on Committee Stage.

Senator Rónán Mullen: The Minister is attempting to tease out the issue with me and I think I am making a valuable contribution.

Senator James Heffernan: That can be done tomorrow.

Acting Chairman (Senator Jillian van Turnhout): Senator Mullen had an opportunity to speak without interruption and I am now asking the Minister to respond without interruption.

Senator Rónán Mullen: It shows the limitations of our system. In the UCD Literary and Historical Society, we would have a better opportunity to tease out the issues than we have here. The Minister and I enjoy it and we appreciate each other's contribution.

Deputy Ruairí Quinn: I respectfully suggest that, had Senator Mullen been present at the beginning of the debate and heard my original comments, we might have had a different exchange than the one we are having.

Senator Rónán Mullen: I will read the Minister's speech carefully. We are all doing our work around the House.

Acting Chairman (Senator Jillian van Turnhout): The Minister should be allowed to speak.

Deputy Ruairí Quinn: I thank the Acting Chairman for the extension of time and for her tolerance. I will address a number of points on Committee Stage tomorrow but, in respect of the cheque to which the Senator referred, the fund does not yet exist and therefore we cannot cash it. I note that Senator Mullen is encouraging them not to pay it or to endow under it.

Senator Rónán Mullen: The Minister should not twist my words. I said the issue should not be delayed by one day.

Senator Averil Power: The record will also show that the Senator suggested 50% was not a reasonable contribution.

Senator Rónán Mullen: That is definitely my view. What they committed to giving, I totally support the giving of.

Deputy Ruairí Quinn: We are drifting into a premature debate on Committee Stage. I propose to conclude on this point. There are points about information and communication and the reason why the original redress board fund was extended a number of times. I commend the Bill to the House and I thank the House for the debate.

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

Senator Kathryn Reilly: Vótáil.

An Cathaoirleach: Will the Senators claiming a division please rise?

Senators David Cullinane, Trevor Ó Clochartaigh and Kathryn Reilly rose.

An Cathaoirleach: As fewer than five Members have risen I declare the question carried. In accordance with Standing Order 59 the names of the Senators dissenting will be recorded in the Journal of the Proceedings of the Seanad.

Question declared carried.

An Cathaoirleach: The House has already agreed to take Committee Stage tomorrow.

Committee Stage ordered for Friday, 20 July 2012.

Sitting suspended at 2.05 p.m. and resumed at 3 p.m.

Public Service Pensions (Single Scheme and Other Provisions) Bill 2011: Committee and Remaining Stages

Acting Chairman (Senator Feargal Quinn): I welcome the Minister for Public Expenditure and Reform, Deputy Howlin, to the House.

Sections 1 and 2 agreed to.

SECTION 3

Senator David Cullinane: I move amendment No. 1:

In page 8, paragraph (c), line 25, to delete “Act 1965.” and substitute the following:

“Act 1965;

(d) section 6 of the Superannuation and Pensions Act 1963;

(e) section 7 of the Superannuation and Pensions Act 1963;

(f) section 78 of the Local Government (Superannuation) (Consolidation) Scheme 1998.”.

I welcome the Minister to the House. As I have studied the debate that took place in the Dáil, I am aware of the Minister’s logic in not accepting some of the amendments tabled in the Lower House. However, as my party spokesperson, Deputy McDonald, stated clearly, Sinn Féin was not satisfied by some of the responses received in this regard. Consequently, the Sinn Féin Members have re-tabled some of the amendments for further debate in this Chamber today, as of course is their entitlement. This amendment pertains to the pension arrangements of new entrant appointees such as Secretaries General and city and county managers. Obviously, Sinn Féin accepts fully this new arrangement means such individuals will be treated on a par with everyone else in the public service. However, Sinn Féin believes there are existing anomalies and inequities in respect of pension pots that must be dealt with. The Minister will be aware of the background to this issue, which is that many people are upset by some of the sweetheart deals, if one wishes to use that term, which have been done in the past. Although they were done by the previous Government rather than the present Administration, nevertheless they exist.

Some former city and county managers, I will not name them, having retired on pension with a lump sum — in cases where they had not the requisite years of service, their package was enhanced — have been re-employed by the State on a contract basis. That upsets people.

It would be a mistake for the Government not to follow the logic of what it is trying to put in place for new entrants to not make it retrospective to existing staff. What is the logic of the Minister's approach? Would the Minister like to apply these new provisions but believes he cannot apply them retrospectively? Has the Attorney General advised him on this matter? I have listened to the Minister's contributions in the Dáil. I know the Government does not provide the advice of the Attorney General.

The Minister was in opposition for many years so I assume he respects that it is very difficult for those in opposition to form judgments in the absence of the additional information available to the Minister.

The Minister will accept this is an important issue. While we welcome the positive provisions in the Bill, especially those that deal with new entrants, the view of my party is that the anomalies I have cited must be dealt with.

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): I thank the Chair for its indulgence. I have been trying to perfect the art of bilocation. I was speaking in the Lower House until 3.05 p.m.

I thank the Senator for his contribution on the amendment he tabled. I dealt with a similar amendment in the Dáil. I explained that the proposal in this amendment to repeal sections 6 and 7 of the 1963 Act could only have a prospective effect. One could not make it retrospective. The reason, as I explained in the other House, is that pensions are property rights protected by the Constitution. It is a simple fact. I know the advice the Senator would get from any authoritative legal source would be the same. Even if one accepted these changes, it would only impact on people appointed into the future. Since this Bill captures everybody who is appointed into the future, there is no point in doing that.

The anomalies to which he referred have caused disquiet. On becoming Minister for Public Expenditure and Reform, I discovered the Top Level Appointment Committee, TLAC terms that applied to Secretaries General. I abolished them within a few months of taking office. Those terms had been in place since 1987, which surprised many of us who have been around since that time. Clearly the terms were overly generous and in my view could not be sustained in the current economic environment. We have substantially altered them. Many of the unacceptable features that the TLAC terms represented do not now apply to a Secretary General appointed since shortly after this Government came into power. We have taken a range of other measures on top level pay. We put a ceiling of €200,000 on pay in the Civil Service, which is the rate set for the Taoiseach. Of course, his net pay is a great deal less than that because of the significant tax and universal social charges which apply across the board. We should also be aware that the marginal tax rate for anybody earning over €100,000 in the public service, if one counts everything the pension levy, the universal social charge and tax, is 62%, which is a high marginal tax rate.

People have asked me to mention the fact that we should always talk in net terms. When we talk about social welfare payments, we refer to the gross figure because it is not subject to tax, but to express a person's earned income in gross terms is unfair because it is not the amount of take home pay. If one is to compare like with like, we should speak in terms of what people get into their hand.

I do not disagree with the reasoning behind the Senator's proposal today but for the reasons I have outlined it can only have a prospective and not a retrospective impact. This new legis-

[Deputy Brendan Howlin.]

lation will apply to all, including Secretaries General and to everybody else appointed in the public service once it is enacted.

Senator David Cullinane: The Minister will accept that it would be difficult to have a discussion on this issue and not deal with what is a sore point for many people. The Minister has given his reason that the legislation can take prospective effect only because of the legal rights of people. I accept the Minister at his word, but we would like to have the matter tested. That is the reason we tabled the amendments.

I made a somewhat related point to which I ask the Minister to respond. It is still current practice that some people who are in top jobs, such as senior civil servants and city and county managers have been given more generous pension packages that includes a lump sum and pension to allow them to retire from the public service to enable the State to save money and yet some of them are being re-employed within the public service as consultants to Departments or semi State bodies? That must be seen as wrong. That is an issue that must be addressed by Government. While this is not strictly related to the amendment tabled, it must be addressed. I would like to hear the Minister's views on that issue.

Deputy Brendan Howlin: I will address both issues. The fundamental principle underscoring this Bill is a shift from the calculation of final pension. Instead of the final salary dictating the pension, it will be based on a career average. We may have seen where people were appointed to a very senior position in the last year of their public service life and their pension is evermore determined by that last number of months in some instances. That will end with this process. That is important.

The Senator's second point relates to people who leave work on a decent pension with a lump sum and are rehired. Again I am making changes in this legislation to deal with that, but a system that is called abatement is already in place. If one is rehired, the new salary plus the pension aggregated cannot be more than the final salary.

Senator David Cullinane: May I ask a supplementary question on the system of abatement? If somebody is hired as a consultant does the system of abatement apply? I think that is one of the anomalies that have come up.

Deputy Brendan Howlin: Let me deal with that. There are two elements to the full explanation. Abatement does apply, but the change I am bringing about in this Bill is that all pensions and salaries will be aggregated. People who retire on more than one pension as things stood were not subject to the top levy, but under the Bill the pensions will be aggregated to ensure everybody is treated in a like manner. That is a very important initiative in terms of fairness.

During the Second Stage debate in the House last week I indicated that where people are employed on a contract basis the abatement will be applied to the actual contract fee, where they are re-employed on a longer-term basis it will be applied to the pension but the abatement will apply in each circumstance.

Senator Thomas Byrne: My remarks are not directly on the point but relates to the Top Level Appointment Committee TLAC terms to which the Minister referred. The TLAC made changes. TLAC was described to me before as being akin to the Freemasons — that is the way appointments are done. I think the Minister needs to go further. I would remove some of the civil servants who still remain on TLAC. Furthermore, I do not see why a Minister should not be on that committee. Even on a VEC interview board, one will have members of the VEC on it. We live in a democracy. We may criticise Ministers for appointing people to boards but

at the end of the day they are elected by the people and are vested with those powers. While this is not directly on the amendment I think my point is worth further consideration.

Deputy Brendan Howlin: I think we are straying well outside the terms of the debate, but important issues are being raised and I will respond to them.

One of the changes I brought about in the structure of the TLAC, and not without some resistance, is that the majority of TLAC members come from outside the public service. The majority of every interview board comes from outside the public service. The chair of the TLAC is a non-civil servant and the chair of the interview board is a non-civil servant. I do not think it would be appropriate for a Minister to serve on TLAC. That is my personal view. We need to ensure the separation in terms of not politicising Civil Service or public service appointments. That would lead to a great deal of difficulty.

Senator Michael D'Arcy: We are all straying a little.

Deputy Brendan Howlin: We can stray back.

Senator Michael D'Arcy: I would like to make an important point that has not been made already. I will repeat one of the big criticisms I made when, as a member of a local authority, I was the chair of the local VEC. When we were conducting interviews, we came under pressure to consider people who were coming to the end of their careers. We were told it was important for such people to move up to the next position so their pensions would increase. We were reminded of the huge impact that would have on them for the rest of their days. The aggregation of the fee would negate that, which would be welcome. It is not easy to ignore the fact that one's decision could affect somebody for the rest of their days.

Question, "That the words proposed to be deleted stand", put and declared carried.

Amendment declared lost.

Acting Chairman (Senator Feargal Quinn): Amendment No. 2 is out of order as it could give rise to a potential charge on the Exchequer.

Amendment No. 2 not moved.

Section 3 agreed to.

Sections 4 to 9, inclusive, agreed to.

SECTION 10

Acting Chairman (Senator Feargal Quinn): Amendment No. 3 is out of order as it could give rise to a potential charge on the Exchequer.

Amendment No. 3 not moved.

Senator David Cullinane: I move amendment No. 4:

In page 19, lines 1 to 8, to delete subsection (4).

Deputy Brendan Howlin: This amendment seeks to delete the subsection that provides that former or current Members of the Oireachtas "shall not be regarded as" members of the single scheme. The Government decided that the single scheme should extend to new or first-time Members of the Oireachtas and office-holders, including Ministers and Ministers of State.

[Deputy Brendan Howlin.]

Unlike almost all other public servants, Members of the Oireachtas do not have security of tenure but are subject to the will of the electorate from time to time. There can be a considerable change in Oireachtas membership from one Dáil or Seanad to the next. The requirement to be re-elected from time to time means that Members of the Oireachtas are different from other public servants in this regard. This special factor was taken into account in the drafting of the Bill for former Members of the Oireachtas and Ministers. Accordingly, a Member of the Oireachtas who was first elected or appointed before this Bill becomes law will not be a member of the single scheme in respect of any future service as a Member of the Oireachtas. We have given this matter a great deal of consideration. It seems reasonable that a Member of the Oireachtas with many years of service who loses his or her seat should not be on a different scheme if he or she is re-elected to this House. Such a person should be able to continue with that scheme. The system that will be in place if this amendment is accepted would not be applied to any other public servant who might be fired in mid-stream and subsequently rehired. I believe our approach is reasonable.

Senator David Cullinane: Section 10(4) enables “a member of the Oireachtas or the European Parliament or . . . holder of a qualifying office” who previously lost his or her seat but subsequently regained it to retain his or her membership of what we see as the more generous scheme. Why should one rule apply to someone in the public sector who happens to be a public representative when an entirely different rule applies to people who work in the public service generally? We do not believe that would be fair because the Government would be treating one set of public servants differently from another group of public servants. The Minister has explained the rationale for this provision. We accept the merit and logic of the move to a single scheme, but we believe it should apply to all elected representatives and all qualifying groups. We do not see why elected representatives should be exempt from what the Government deems appropriate for those in the rest of the public service. We will pursue this amendment, which we have tabled for the reasons I have outlined.

Deputy Brendan Howlin: I understand the Deputy’s position, but I do not agree with it. It is patently obvious that elected Members of the Oireachtas are not like ordinary public servants who have a career path and a contract of service. They cannot be fired in the middle of their careers only to be rehired after a few years. It would be an anomaly for a person who served for 15 years in the Oireachtas before losing his or her seat to be debarred from picking up where he or she left off if he or she is re-elected. With all due respect, many decent and hard-working Members who contributed to their pension schemes over many years have lost their seats when their parties have been caught in political tsunamis. The Senator’s party often likes to be particularly hard on elected Members of these Houses because it bestows a certain public cachet. I think what I am saying is objectively reasonable.

Senator David Cullinane: It is not a case of us being hard on public representatives. The Minister is aware that we have called for all public sector pay to be capped at €100,000 per annum, or €2,000 a week, which would be very reasonable in the current climate.

Deputy Brendan Howlin: That has nothing to do with this amendment.

Senator David Cullinane: I accept that, but I am mentioning it in the context of the Minister’s suggestion that my party is hard on public representatives. It would not be difficult for a Deputy to live on €75,000 per annum, which is what we propose. Nor would it be difficult for a Senator to live on €60,000 per annum or for a Minister or the Taoiseach to live on €100,000 per annum. The point we are making in the context of this amendment is that at a time when we are

tightening up on the pension entitlements of all public servants, the same rules have to apply to public representatives. We cannot have a two-tier approach to what we are trying to do.

Senator Thomas Byrne: I agree with the Minister. The position he has outlined is reasonable. Members of the Oireachtas are in a different position. Members of Sinn Féin often talk about the average industrial wage, but we have not seen much evidence of it. They have not set out their policy on the pensions——

Senator David Cullinane: What evidence does the Senator want?

Senator Thomas Byrne: During the presidential election campaign, we saw Martin McGuinness's bank accounts, which did not show any transactions other than in his local shop. From what I could see, he did not have ESB bills or anything like that. It is a matter of public concern that Sinn Féin has never set out its policy on the pensions of its own former members in this jurisdiction and the other jurisdiction. People ask questions about it.

Senator David Cullinane: Many questions have been asked over the years about the financing of the Senator's party.

Senator Thomas Byrne: We are broke.

Senator Michael D'Arcy: The Minister's argument — that a person who came in under a particular scheme before having to exit it for a certain period should be allowed to revert back to that scheme if he or she is fortunate enough to get back into the Oireachtas — is a reasonable one. Senator Cullinane's party wants to set €100,000 as the maximum salary that can be paid to anyone in the public sector. If that comes to pass, some school principals and gardaí will have to take a pay cut. If it is intended to cut the Taoiseach's salary to €100,000, will that involve the Taoiseach receiving the same salary as a schoolteacher? If Sinn Féin wants to cut everybody's pay by a certain percentage, I am not sure it will score as highly in the popularity stakes as it thinks it will.

Senator Ivana Bacik: The Minister is right. It is good to hear that Sinn Féin, like other parties, agrees in principle with the idea of a single scheme applying to all public servants. Members of the Oireachtas are patently not public servants in the same way as a public servant who has a career in the Civil Service. As the Minister has said, the reality of elections every five years or more frequently means we cannot treat the two groups in the exact same way. The key point is that this position does not privilege Members of the Oireachtas — it simply recognises the difference between them and public servants.

Deputy Brendan Howlin: I am always intrigued by Sinn Féin's enthusiasm for putting the squeeze on expenses and costs to the State. I answer many parliamentary questions on claims that are made. I answered a question last week on whether anyone has voluntarily given up their pay to bring it to a certain level. The reply stated that nobody in Senator Cullinane's party has done so. I can facilitate his party colleagues by forwarding abatement forms to them if they wish. I made the same offer to Deputy McDonald in the other House. That would allow them to yield back to the State an appropriate level of remuneration. All such contributions would be welcome. If the Senator is so minded and believes his pay or that of any Sinn Féin Member is excessive, he should lead by example and I will be happy to facilitate him.

The other House discussed at some length the general principle of having a public service salary ceiling of €100,000. The problem with this proposal is that it would put us on the road to privatising public services. Acute hospitals, for example, would no longer be manned by consultants, cardiologists and other experts in medicine if such a ceiling were in place. One

[Deputy Brendan Howlin.]

would have a private system and members of the public would either pay for it or be excluded from it, whichever would be Sinn Féin's choice. Public servants should be treated in the same manner as private citizens and one should not determine that a person should be squeezed because he or she works in the public service. One achieves equality through a fair taxation system. All income, whether generated in the public or private sphere, should be treated the same. A fair taxation system equalises matters and we have a progressive taxation system. As I indicated, the marginal rate of income tax, if one includes the pension levy and universal social charge, is of the order of 62% on public servants earning in excess of €100,000.

The need to ensure a positive incentive is in place for effort, work and career advancement is being increasingly brought to my attention by working people. We should not pander to voices in the media who argue that everything done in the public arena is excessive and public servants are overpaid. I do not accept the logic of the Senator's view on that matter.

Senator David Cullinane: Sinn Féin does not believe everyone working in the public sector is overpaid. Many public servants are on low incomes and the vast majority of them earn less than €40,000 per annum. I hope I will be given an opportunity to respond to the Minister's challenge to Sinn Féin representatives to hand back their salaries and make the contribution we say we make——

Deputy Brendan Howlin: I will offer the Senator such a facility if he wishes.

Senator David Cullinane: To set the record straight for the Minister, Sinn Féin's approach saves the State money. Deputies earn a salary of €95,000——

Deputy Brendan Howlin: The figure is €93,000.

Senator David Cullinane: ——and have take home pay of approximately €60,000. Sinn Féin Deputies take €32,000 in take home pay.

Deputy Brendan Howlin: That does not benefit taxpayers.

Senator Ivana Bacik: The rest goes to the party.

Senator Thomas Byrne: Martin McGuinness's bank statements do not show utility bill payments.

Senator David Cullinane: I know this is a sore point for the Minister and Senators but if they bear with me, I will complete my point. The Minister referred to net pay.

Senator Thomas Byrne: His statement did not show any bill payments.

Senator David Cullinane: They like to throw around accusations and make comments but do not like to listen. Perhaps the Minister will listen for one moment for a change. To return to my point, a Deputy's net pay is approximately €60,000, of which Sinn Féin Deputies take half and use the other half to employ someone. This means each Sinn Féin Deputy takes somebody off the live register, thus achieving savings for the State. Moreover, tax is paid on the full €95,000 and on the €30,000 in income of the person employed. The Deputy is, therefore, out of pocket because tax is paid twice and the State benefits twice by having a person taken off the live register and paid from the Deputy's salary and having this employee's after-tax income taxed again. I assume this makes sense to the Acting Chairman, Senator Quinn, although it may not make political sense to a Minister who is, I am sure, very comfortable on his salary, as are those who like to put their full salaries in their pockets rather than taking people off the

live register. Sinn Féin wants to get people back to work and provide a first class constituency service.

Deputy Brendan Howlin: I did not realise Deputies' salaries were to be part of a social employment scheme.

Senator David Cullinane: They can be.

Deputy Brendan Howlin: If that is what the Senator wants, he cannot argue for Deputies' salaries to be lower.

Senator David Cullinane: It is the Minister, not Sinn Féin, who can lower salaries.

Deputy Brendan Howlin: Perhaps we should increase Deputies' salaries in order that Sinn Féin could start an employment scheme of its own. The bottom line is that I am interested in ensuring a fair scheme is in place. We have moved well beyond the substance of the amendment and I do not propose to further elaborate on this issue. However, people on the average industrial wage would scarcely be able to attain the lifestyle of those who are giving lectures on this matter, whether it is the homes they own or the transport arrangements they have.

Senator Ivana Bacik: Like the Minister, I do not wish to prolong debate on this issue. It is hard to take a lecture from Sinn Féin about saving the State money because its representatives employ someone on some of their salary.

Senator David Cullinane: Is it so dreadful to employ someone?

Senator Ivana Bacik: Any Deputy or Senator who employs a child-minder or somebody else——

Senator David Cullinane: That is ridiculous.

Senator Ivana Bacik: It is the same thing. He or she is giving someone on the live register a job and that person is paid tax on his or her earnings.

Senator David Cullinane: I pay child-minding expenses out of my salary.

Senator Ivana Bacik: The Senator should not lecture us from the moral high ground.

Senator David Cullinane: We have greedy Senators who take the lot pointing fingers at people who take others off the live register.

Acting Chairman (Senator Feargal Quinn): I ask Senator Cullinane not to interrupt.

Senator David Cullinane: They are champagne socialists.

Senator Ivana Bacik: Having listened to Senator Cullinane without shouting at him, it is inappropriate that he is shouting at me. I am making a fair and reasonable point that any Senator or Deputy or any other person who earns an income and employs somebody out of his or her earned income is creating employment and enabling the employee to pay tax on the earned income. This is not something on which any of us should seek to gain moral advantage. To argue that this practice is of great benefit to the taxpayer is to overstate the case.

Senator Michael D'Arcy: A number of self-employed Members invest the salary they receive in their businesses to employ people to do the work they did previously. They never mention the fact that they have practically no income from this job because they use their salary to

[Senator Michael D'Arcy.]

employ people to do the work they would ordinarily do in their enterprise. Sinn Féin Members continually tell us how wonderful they are. They are not wonderful; they do what every other Member who has a business, whether a doctor, farmer or solicitor, does when he or she employs someone to do his or her work. This constant lecturing about how wonderful they are——

Acting Chairman (Senator Feargal Quinn): The discussion has strayed from the substance of the amendment.

Question put: “That the words proposed to be deleted stand.”

Senator David Cullinane: Vótáil.

An Cathaoirleach: Will the Senators claiming a division please rise?

Senators David Cullinane, Trevor Ó Clochartaigh and Kathryn Reilly rose.

An Cathaoirleach: As fewer than five Members have risen, I declare the question carried. In accordance with Standing Orders the names of the Senators dissenting will be recorded in the Journal of the Proceedings of the Seanad.

Amendment declared lost.

An Cathaoirleach: Amendment No. 5 has been declared out of order.

Amendment No. 5 not moved.

Question proposed: “That section 10 stand part of the Bill.”

Senator David Cullinane: A number of amendments related to this section have been ruled out of order, but I want to address some of the issues under the section. It would be helpful for all of us if we could put aside some of the earlier conversations and debate because they do not do justice to the issues. I hope the Minister accepts that. It would be better for all concerned if we stuck to——

Deputy Brendan Howlin: Some could lead by example.

Senator David Cullinane: Absolutely. I did not raise the issue — others did — but I will defend a position if it is raised.

Deputy Brendan Howlin: The Senator’s moralising was just too much for me.

Senator David Cullinane: We do not moralise. We like to put things into a context to show where we come from on the issues. The Minister does not have to agree with us, but we believe in equity in pay.

Deputy Brendan Howlin: I am afraid I know the Senator too well.

Senator David Cullinane: We believe in equity in pay. As a member of SIPTU, the Minister might accept that is a good position for someone to have when wanting to address differentials in pay.

To return to section 10, concerns have been raised with us with regard to the six month provision which may adversely affect certain groups of workers, for example, women who leave the workplace for a period to look after their children. I know this issue was dealt with on Committee Stage in the Lower House, but I would like to hear the Minister’s response to this

because it is unclear in the legislation how this affects workers who take leave of absence that exceeds the six-month deadline on or after the operative date of the scheme. The purpose of amending and extending the six-month deadline to two years is to provide for greater flexibility. Our amendment was ruled out of order on the basis of it involving a charge on the Exchequer. However, it related to this window whereby current employees would leave the public service for a period of no longer than six months and where, if their leave exceeded six months, they would re-enter the service, but would move from the old scheme to the new scheme. We ask that the period be extended from 26 weeks to 104 weeks to allow for greater flexibility. I hope the Minister appreciates the point we are making. I am aware the amendment has been ruled out of order, but given we can raise the issues under the section, I ask the Minister for a response.

Deputy Brendan Howlin: There is a certain irony, if not contradiction, in the view being expressed by the Senator now and the view he expressed in the context of the last amendment. Apparently, if Members of the Oireachtas are out for two years, by way of an election, they should not be allowed to come back into the same scheme but he wants to provide that for everybody else, in this particular amendment. There is no logic in that. If the Senator was a Member of the House, there was a quick election and he lost his seat, the Senator does not want to be allowed to get back into the same scheme that he might have been a member of for 15 years. That was the substance of the Senator's last amendment. However, a general civil servant is to be allowed to go off for two years and come back into the same scheme. There is no consistency in that.

The view is that a person should be allowed to come back into the scheme if there is a gap of around six months. Anything beyond that is not acceptable. We must have a cut-off point and we believe six months is fair. Of course, if an individual is on a structured career break, that does not apply. Therefore, an individual can take a structured career break and come back and slot into the same scheme. That would cater for most reasonable situations.

Senator David Cullinane: There is consistency here and the example I gave was of women who might leave the workforce for a period to look after their children. There is a big difference between them and public representatives who get elected, lose their seats and, perhaps, get re-elected. There is a distinction there. There are certain categories or groups of people in certain circumstances for whom flexibility is required. Our position, therefore, is consistent because it recognises that problems may exist. That is the purpose of the amendments we tabled. There have been several discussions on this issue on Committee Stage in this House and in the Lower House. The Minister understands the point being made. I do not expect him to come back on this and he has made his point. We will also be opposing the section.

Question, "That section 10 stand part of the Bill", put and declared carried.

Sections 11 and 12 agreed to.

SECTION 13

Acting Chairman (Senator Feargal Quinn): Amendment No. 6 is out of order because it could give rise to a potential charge on the Exchequer.

Amendment No. 6 not moved.

Senator David Cullinane: I move amendment No. 7:

In page 20, lines 19 to 23, to delete subsection (2).

[Senator David Cullinane.]

This amendment deals with the imposition of a retirement age of 70, which we do not support. We do not agree with increasing the minimum retirement age from 65 to 67 or 68. Furthermore, the maximum age is a matter of choice. People should be able to make a decision as to whether they want to remain in the workforce. Forcing people to retire at 70 is wrong. There are many people over 70 who want to remain in the workforce and they should be allowed to do so.

In previous conversations the Minister has pointed to what he sees as an inconsistency whereby on the one hand, we do not want an increase in the retirement age but we also do not want it to be capped at 70, but this must be about choice. I believe that 65 is an appropriate retirement age. A similar discussion was had in the Northern Ireland Assembly. My party tabled a number of amendments to a Bill dealing with the retirement age which sought to keep it at 66 but, unfortunately, those amendments were defeated. My party takes a consistent approach across the island. We want people to be able to retire if they wish at 65 but if they wish to continue working beyond the age of 70, that option should also be open to them.

Senator Ivana Bacik: We had a very full debate on Second Stage about the issue of the retirement age and about the merits of even having a mandatory retirement age. The Minister very fairly made the point that 70 is the maximum in the Bill and that it seems a reasonable proposition, while taking on board the very persuasive arguments put forward by Senators from both sides of the House about the merit of having a mandatory retirement age at all. Many people expressed the view that we should examine the possibility of abolishing the mandatory retirement age, in a human rights context. In the meantime, as the Minister has said, 70 seems to be a reasonable upper age.

Deputy Brendan Howlin: We had a very good debate on this matter and many valid arguments were made. I am inclined right now, because of the pressures on employment and so on, to leave an upper age limit in place and I believe 70 is a fair upper limit. Most people, to put it bluntly, would like to retire well in advance of 70. Some limit is required in order to have proper workforce planning. It is very difficult to manage a service if one doesn't know when an employee is going to retire. If there is no limit in place, do we leave it to the individual to determine when he or she retires? One could have, in a hospital or a critical care unit, for example, a number of key people leaving at very short notice. We need to have some workforce planning and that is why an upper ceiling is there.

However, as I said on Second Stage, this is an issue that will probably be revisited at some point. There is a reasonable case to be made that because people are healthier for longer, the more choice they can be afforded, the better, as far as is practical.

Senator Thomas Byrne: I wish to state the Fianna Fáil policy on this matter, as set out in a document we published earlier this year. That document was drafted by my colleague, Senator Mary White, who has done a lot of work on this area. Our policy is that Fianna Fáil seeks to end the compulsory retirement of persons at the age of 65, whether in the public or private sector. While the provision in this statute does not go as far as our party policy would require, it does take us a step further along the road and on that basis, I will not be opposing this section and will not be supporting the amendment. However, this is something that the Minister has said he will return to and my party will be vigorously pursuing the matter in the context of a changing economy, hopefully. It is a step forward that the lower age of 65 is being changed and we are moving towards full equality for people of all ages.

Question, "That the words proposed to be deleted stand", put and declared carried.

Amendment declared lost.

Section 13 agreed to.

Sections 14 to 18, inclusive, agreed to.

SECTION 19

Acting Chairman (Senator Feargal Quinn): Amendments Nos. 8 to 15, inclusive, are related and will be discussed together, by agreement.

Senator David Cullinane: I move amendment No. 8:

In page 25, subsection (1)(a), line 9, to delete “year for the pension, and” and substitute the following:

“year for the pension, that amounts to no more than €60,000, and”.

This group of amendments seeks to cap public sector pensions at €60,000. The majority of retired public sector workers — perhaps the Minister has the exact figure — are in receipt of an average annual pension of €30,000, yet we have a situation where former Secretaries General, Taoisigh, Ministers and other public servants receive annual pensions in excess of €100,000. This is simply unacceptable. It was unacceptable in the good times and it is certainly unacceptable now, given the current economic situation. My party is of the view that some in the upper echelons of the public sector have been over-paid and some of their entitlements, such as pensions, have been far too generous, in comparison with those on the lower scales. This is one of the unfortunate realities that has confronted all of us in public life in recent years.

Some economic commentators and economists have tried to drive a wedge between public sector workers and private sector workers. They have made the argument that all public servants are on Rolls Royce pensions but the reality is far removed from that. The Minister will accept that the vast majority of public sector workers do not have anything like Rolls Royce pensions. Someone on an average wage of €30,000 or €40,000 has a small pension to which he or she pays in. People should be mindful that public servants make a contribution to their pension fund. Moreover, the pension levy was introduced which means public servants make a significant contribution to their pensions.

Sinn Féin believes there should be a cap on the basis of the need for equality just as tax allowances, available to people in order that they can invest in their pension pots, are capped. This would bring about a more proportionate and fair way of ensuring equity when people avail of taxpayers' money to invest in their pension pots. Many high earners in the private sector can put vast amounts of their salaries into pensions and avail of tax relief at the top rate of 41%. While there is a cap, we believe it is far too high. We have taken a consistent approach by seeking to change the position of private pension contributions and public payments. I do not believe that anyone who works for the State should get a pension in excess of €60,000 per year. That is approximately €1,100 per week, a vast amount of money for anyone to earn.

I am unsure how many public servants would be affected by this proposal. It may only be a small amount of people and, if so, then it should be no big deal for the Minister to accept it. We are not calling for this provision to be made retrospectively. It should be for new entrants. We take the view that, starting from now, anyone who retires should not get a pension above or beyond €60,000. We believe this is reasonable. This is not being proposed because we are trying to be in any way selfish towards people who are in the upper echelons of the public

[Senator David Cullinane.]

service and who are well paid. We believe the Government should be fair and proportionate and realise the position of the vast majority of working people, especially in the private sector.

As the Minister is aware, many of these people have seen their private pension pots decrease dramatically because of what occurred in the economy generally and because of investments in pension funds. Many people have been left without their pensions. Waterford Crystal is one example but there are others. I met several workers from Diageo recently. Almost 300 workers have lost their jobs between the plants in Dundalk and Kilkenny. Given the problems with the pension pot they will not get their proper entitlements and the pot is essentially insolvent.

On the one hand people in the private sector, often low and middle income workers, have small pensions and in many cases they have seen their pension pots reduced dramatically. On the other hand they see some people at the top of the public service with what are gilt edged or gold plated Rolls Royce pensions. The perception among the public is that all public servants are on these pensions but this is not the case.

If there were a cap of €60,000 it would deal with the issue because there would be a fair, proportionate and reasonable cap in place. I call on the Minister to produce the figures if this €60,000 cap was to be applied. Does he have any idea how many would be affected? Do the Minister or his officials have the numbers of how many people would be affected?

Senator Ivana Bacik: I read these amendments and I was surprised and somewhat shocked to see that the Senator is proposing to insert an absolute figure into legislation which, as Senator Cullinane noted, will only apply prospectively. It seems to be no more than bad legislating to provide for a cap of a set amount — Sinn Féin is proposing a cap of €60,000 and I note a figure of €37,500 is referred to in amendment No. 14. The suggestion is that this would be put into the legislation as a prospective figure. In other words, in 20, 30 or 40 years' time people would be subject to this absolute cap. That is simply bad legislating. The provisions of the calculation scheme set out in the legislation represent an eminently fairer and more sensible way of dealing with the complex calculations of pension figures.

Everyone wants to see fairness and equity. Senator Cullinane referred to the dreadful position in which Waterford Crystal workers found themselves as part of a private pension scheme. We are discussing a public pension scheme and the issue is to ensure there is a fair and reasonable method of calculation. This is what is set out in the legislation. The inclusion of an absolute figure set in stone in the legislation for decades to come for people who will retire in future is not an example of good legislation.

Senator Thomas Byrne: I have no problem imposing a cap but the Sinn Féin argument is the pure politics of envy. So few people get this type of pension or would ever get it. Most people who will get a public sector pension will get a small pension. It is fair to say that those who have retired on large pensions have caused considerable public resentment. I know this only too well from those I have spoken to in my area after the general election. The enmity was directed not only at politicians but at senior public servants as well. There are not too many of these and to make this a political issue and to suggest that Sinn Féin is championing the poor by including this vast cap that will apply to virtually no public sector work is wrong and cynical. It heightens the tension between the private and public sectors.

When I studied law under Senator Bacik one of the things I learned is that there must be some mischief that one is trying to correct, something that needs fixing.

Senator Ivana Bacik: I taught Senator Byrne well.

Senator Thomas Byrne: Nothing here needs fixing because so few people are involved. Senator Cullinane is giving the impression to those among the general public who do not have these pensions that everyone in the public sector will be on such pensions. We need to show that people are on a fair pension. I agree that the pensions of some in the private sector have been wiped out and a great deal of work must be done in that area. However, the State is an employer and has responsibilities as well.

The public anger on pensions rose to the extent that people assumed that I had a pension at the age of 33 years after being in the Dáil for four years. That shows how ludicrous it was. Since there was so much emphasis on the small amount of people with high pensions people almost accepted anything put before them. A rumour spread about me to the effect that I would have a pension. I heard it said that it was terrible because I was only in the Houses for a few years but because I was in Fianna Fáil I would get a pension. This was totally false and incorrect. The pensions of everyone in the Chamber will kick in at 65 years if, God be good to us, we are still alive then.

This amendment is a flag being waved by Sinn Féin that will have no practical effect. It will simply create a sense in the public that everyone is being wronged and that other people are on these high pensions when, in fact, they are not.

Acting Chairman (Senator Michael Mullins): Senator Cullinane is next.

Deputy Brendan Howlin: Before Senator Cullinane gets a second go perhaps I will get a first go.

Acting Chairman (Senator Michael Mullins): Of course.

Deputy Brendan Howlin: Senator Cullinane misunderstands the structure of this legislation entirely. No pension calculation in the legislation is based on a monetary amount. It is based on a career average. Senator Bacik rightly noted that it would be unwise to insert a notional capped figure in money terms of €60,000, or €37,500 for an Oireachtas Member, payable to all new entrants in 40 years' time. Senator Cullinane is a brave man to predict the value of the euro in 40 years' time. That is when a new entrant would accrue a pension entitlement under this provision. It is a nonsense to try to cite a monetary value in the future in a Bill that is structured in a completely different way. The Bill is structured on a career average basis. The calculations were the subject of negotiations with the trade union movement and arbitrated by the Labour Court. We have accepted the figures and the careful balance of calculation in it. We should not upset that calculation.

Senator Byrne among others made the fair point that there is resentment and that there is a selection of people at the top of politics, public administration, the Army or the Garda who retire with remarkably generous payments. This was why I introduced an increase in the pension levy on such people of an additional 20% on top of all the taxes.

I am unsure whether anyone would be at a level where they would get a pension of €140,000. Perhaps it might apply to a former Supreme Court judge or a Chief Justice. The tax and levy imposed on that reduces it substantially for the existing pension holder. The very basis of the legislation, however, is to ensure that does not happen in the future. People received generous lump sums because they were related to their final salary. The new structure will be based on a career average and the pension will not be related to final salary. Once the Bill is brought into effect, future pensions will be calculated on the basis of annual contributions and they will be based on the salary for every year worked and updated in reference to the consumer price index.

[Deputy Brendan Howlin.]

The notion of an annual cap, picked out of the blue now and applied some time decades hence, does not sit into the Bill and does not make logical sense.

Senator David Cullinane: First, I must respond to Senator Byrne. This is not about making politics. One could argue that any point made by a politician is making politics. The question is whether or not one believes that setting a cap is the right or wrong thing to do. Sinn Féin believe it is the right thing in this instance.

I am conscious of the perception of public servants. It is for that reason that we seek to have a cap introduced. There is a popular perception that almost every public servant is in receipt of a very generous pension but that is not the case. I do not know if the number of those affected is small. I have asked for the figure, and party colleagues in the Dáil have submitted parliamentary questions asking how many people would be affected by the amendment — that is, how many are in receipt of a pension in excess of €60,000. Former Ministers and Secretaries General certainly are. Many people are in receipt of pensions in excess of €60,000. When the size of such pensions comes into the public domain, especially when the figures are in the region of €100,000 or €130,000, and people see former members of the upper echelons of the public service, particularly former politicians, receiving pensions of more than €2,000 a week while the newspapers contain reports of representatives of the IMF saying people on social welfare should take a hit, carer's allowance should be cut or the medical card should be limited, they see the unfairness of the pension system. The Minister asks why we picked the figure of €60,000 and why we want to put it into legislation that will remain in place for ten, 20 or 30 years. The Government picked the figure of €250,000 as a public sector pay cap.

Deputy Brendan Howlin: It is €200,000, and that is for the here and now, not 40 years hence.

Senator David Cullinane: Exactly, but the Minister can change it. As in any legislation, the amendment will empower the Oireachtas to make those changes. To prevent the Government from having to come back each year to seek the consent of the Oireachtas to increase the pension entitlement, the Minister, if he accepted the principle of a cap, could link the cap to the consumer price index. That could be a way to do it. However, to rubbish the notion of a cap and say one cannot put a limit on the pension someone in the public service can potentially receive is simply wrong.

The Minister is correct when he says people in the public service are now making a greater contribution to their pensions. A significant amount of the salary of Oireachtas Members is also deducted to fund our pensions, as well as the pension levy which all workers pay. I accept that. People also pay into their own pension funds. There is nothing wrong, however, in saying someone should not receive a pension in excess of a certain amount. How the amount is calculated and dealt with on a year-on-year basis is a different issue which could be worked out if the Minister was minded to accept the amendment. We cap pay in certain sectors.

The point of principle remains. We believe that no public service pension that is paid this year should be in excess of €60,000. If that figure needs to be adjusted in the future, or linked to the consumer price index, that is a different issue. Sinn Féin wants the Government to accept the principle of having a cap, but it is obviously something the Government does not accept.

Senator Thomas Byrne: There seems to be a disparity between the proposed cap on salaries of €100,000 and the cap on pensions of €60,000. That does not take into account the averaging of salaries, which I think is a good way of imposing a cap because it will prevent people from coming near the cap. The Sinn Féin figure for the cap is too high; very few will be affected by

it. If Sinn Féin had its way and salaries were capped at €100,000 per year no one would qualify for a pension of €60,000.

Senator David Cullinane: There is not a salary cap of €100,000.

Senator Thomas Byrne: Sinn Féin proposes a maximum salary of €100,000.

Senator David Cullinane: We do not have that.

Senator Thomas Byrne: Sinn Féin is looking for it.

Senator David Cullinane: We are dealing with the reality.

Acting Chairman (Senator Michael Mullins): Please allow Senator Byrne to continue without interruption.

Senator Thomas Byrne: I do not mind Senator Cullinane arguing. I am arguing with him.

Sinn Féin proposes a salary cap of €100,000 and a pension cap of €60,000. Its members are simply flying a political flag and have not even thought about the figures and how they relate to each other.

Senator David Cullinane: We have. I just do not have them with me at present.

Senator Thomas Byrne: If there were to be a cap on pensions, I would set it lower than €60,000. That figure is meaningless because so few people would be affected by it and the Exchequer would not be affected. Citing the figure makes it look as though everyone is receiving one of these sixty-grand pensions. Averaging is a good way of imposing a cap. Someone who starts off as a junior civil servant and works his or her way up will qualify for a pension of much less than €60,000.

There seems to be an inconsistency in the Sinn Féin position and Senator Cullinane needs to think about it and explain it to the public. This is not reality. It is political flag-waving that is getting the debate nowhere.

Deputy Brendan Howlin: Senator Byrne is absolutely right.

Senator David Cullinane: I expected Fianna Fáil to agree with the Minister on this. That is no surprise.

Senator Thomas Byrne: The Minister is agreeing with us.

Deputy Brendan Howlin: I am trying to talk logic as opposed to politics. By and large, when I talk to Sinn Féin, either in this House or in the Dáil, I find I am talking to media-driven Members whose focus is not on the debate but on how it is perceived outside. The soundbite is everything.

Senator David Cullinane: Deputy Eamon Gilmore was very good at soundbites when he was in opposition.

Acting Chairman (Senator Michael Mullins): Allow the Minister to speak without interruption.

Senator David Cullinane: The Minister cannot lash out remarks and expect them not to be challenged. It is he who is straying from the issue. He should stick to the amendments.

Acting Chairman (Senator Michael Mullins): Senator Cullinane, you had an opportunity to make a contribution. Please allow the Minister to speak without interruption.

Deputy Brendan Howlin: I know free speech has come lately to Sinn Féin.

Senator David Cullinane: The Minister should deal with the amendment.

Deputy Brendan Howlin: That is a simple fact. The Senator can shout people down all he likes, in the best fascist tradition. In a House of Parliament we allow free speech and the sharing of ideas. If one does not like them one listens and then argues against them. One does not shout people down.

Senator David Cullinane: I am not shouting at all.

Deputy Brendan Howlin: Or interrupt them constantly.

Senator David Cullinane: That is quite different.

Deputy Brendan Howlin: It is not different. It is the same thing. It is bullying.

Let me deal with the basic issue, which is a simple one. The way we avoid having huge pensions in the future is to base them on a career average so that one's pension is not related to one's final salary. That is the basic model. What happened in the past will not, therefore, be replicated. In that context, plonking in a monetary value is meaningless. It is doubly meaningless when we have no idea what the value of €60,000 will be when pensions become available to the people to whom this scheme will apply and who will not accrue a pension entitlement for decades hence. Who knows what the value of €60,000 will be in 40 years' time? I have to agree with Senator Byrne. The purpose of the Sinn Féin amendment is to make political capital for today.

When the Financial Emergency Measures in the Public Interest Act 2010 was brought in, it was estimated that 1% of pensions were in excess of €60,000. Only a tiny portion would be anything more than that. The Financial Emergency Measures in the Public Interest Act 2012, which I introduced myself, increased the levy on such pensions so that the current marginal tax rate on pensions over €100,000 is 68%. When we talk about an additional €10,000, we must bear in mind that 68% of it will be taxed, taking into account income tax of 41%, the universal social charge at 7% and the pension reduction of 20%. The net income, therefore, is significantly less than the headline figures would suggest.

As I said in the other House, there is a case to be made in regard to pension caps in the public sector. In fact, the programme for Government includes a commitment in this regard. I have no difficulty with anybody seeking to purchase an enhanced pension, but the public purse should not be expected to contribute to that beyond the threshold. Work in this regard is being undertaken by my colleague, the Minister for Social Protection, Deputy Joan Burton, and the OECD is reviewing it as a particular job of work. It is a matter for another day and the Minister will no doubt bring forward concrete proposals in due course. In the context of the particular scheme we are discussing, the architecture we have agreed includes a very fair pattern of accrual of pension into the future.

Acting Chairman (Senator Michael Mullins): Is the amendment being pressed?

Senator David Cullinane: Yes.

Question put: "That the words proposed to be deleted stand."

The Committee divided: Tá, 26; Níl, 5.

Tá

Bacik, Ivana.
Brennan, Terry.
Burke, Colm.
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.
Higgins, Lorraine.
Landy, Denis.
Moloney, Marie.
Moran, Mary.
Mullins, Michael.
Noone, Catherine.
O'Keefe, Susan.
O'Neill, Pat.
Sheahan, Tom.
Whelan, John.

Níl

Cullinane, David.
Ó Clochartaigh, Trevor.
Reilly, Kathryn.

van Turnhout, Jillian.
Zappone, Katherine.

Tellers: Tá, Senators Paul Coghlan and Susan O'Keefe; Níl, Senators David Cullinane and Trevor Ó Clochartaigh.

Question declared carried.

Amendment declared lost.

Section 19 agreed to.

SECTION 20

Senator David Cullinane: I move amendment No. 9:

In page 26, subsection (3), lines 2 to 8, to delete all words from and including "equal" in line 2 down to and including "accrued" in line 8 and substitute "no more than €60,000."

Question, "That the words proposed to be deleted stand," put and declared carried.

Amendment declared lost.

Section 20 agreed to.

SECTION 21

Senator David Cullinane: I move amendment No. 10:

In page 26, subsection (2), lines 30 to 41, to delete all words from and including "subject" in line 30 down to and including "office" in line 41 and substitute "subject to a cap of €60,000."

Question, "That the words proposed to be deleted stand," put and declared carried.

Amendment declared lost.

Senator David Cullinane: I move amendment No. 11:

[Senator David Cullinane.]

In page 27, subsection (6), line 10, to delete “as a public servant” and substitute the following:

“as a public servant, however, the combined pension earned may not exceed an annual pension payment of €60,000.”.

Question, “That the words proposed to be deleted stand,, put and declared carried.

Amendment declared lost.

Section 21 agreed to.

SECTION 22

Senator David Cullinane: I move amendment No. 12:

In page 27, subsection (2)(a), to delete lines 33 to 26 and substitute “cap of €60,000, and”.

Question, “That the words proposed to be deleted stand,” put and declared carried.

Amendment declared lost.

Section 22 agreed to.

SECTION 23

Senator David Cullinane: I move amendment No. 13:

In page 28, subsection (2)(a), lines 23 to 26, to delete all words from and including “maximum” in line 23 down to and including “and” in line 26 and substitute “cap of €60,000, and”.

Question, “That the words proposed to be deleted stand,” put and declared carried.

Amendment declared lost.

Section 23 agreed to.

SECTION 24

Senator David Cullinane: I move amendment No. 14:

In page 29, subsection (2)(a), lines 47 and 48, to delete all words from and including “maximum” in line 47 down to and including “that” in line 48 where it secondly occurs and in page 30, to delete lines 1 and 2 and substitute “cap of €37,500, and”.

Question, “That the words proposed to be deleted stand,” put and declared carried.

Amendment declared lost.

Section 24 agreed to.

SECTION 25

Senator David Cullinane: I move amendment No. 15:

In page 30, subsection (2)(a), lines 37 to 40, to delete all words from and including “maximum” in line 37 down to and including “and” in line 40 and substitute “cap of €60,000, and”.

Question, “That the words proposed to be deleted stand,” put and declared carried.

Amendment declared lost.

Section 25 agreed to.

SECTION 26

Question proposed: “That section 26 stand part of the Bill.”

Senator Thomas Byrne: I do not intend to say a great deal about this section. However, our very brave men and women in uniform are opposed to it and have made representations to and had meetings with the Department in respect of it. Perhaps the Minister might comment on what the representative associations of those to whom I refer have stated about the section.

Senator David Cullinane: We have received many representations from trade unions and other groups on section 26. It is important that we highlight the concerns expressed to us. This section deals with those in the fast accrual group, namely, gardaí, prison officers and firefighters. As the Minister will be aware, those in this group are obliged, for practical reasons, to retire at an earlier age than others. There are no 65, 66 or 67 year old firefighters, which makes sense. The accrual mechanism in the legislation unduly reduces the benefits of those in this group in comparison with those included in the standard accrual group. I recently received representations from SIPTU and a number of other trade unions on this issue. The workers to whom I refer have genuine concerns.

Those in the fast accrual group in the public service pension scheme are obliged to retire at the age of 55 years. In order to do so, they must accrue pension entitlements at a faster rate than their counterparts in the standard accrual group. Prior to the introduction of the Bill, trade unions were given to understand that while the new scheme would be considerably less attractive than the current one, it would replicate its terms and that those in the fast accrual group would only be obliged to absorb the same hit as their counterparts in the standard group. Unfortunately, this has not proved to be the case. As matters stand, those in the fast accrual group can earn 40 years' benefits for 30 years' service and this must be maintained. The accrual rate applying to the pension and lump sum needs to be adjusted in order to reflect the current position.

We are opposed to the section because the Minister and his Department need to return to the drawing board on this matter. That is also the view of SIPTU and other organisations which, I am sure, have also lobbied the Minister. The departmental officials who were tasked with drafting this legislation should undertake to develop a formula that will replicate that which applies under the current scheme. Those in the fast accrual group are obliged to retire at 55 years and it must be recognised that the length of their service will be limited by virtue of this fact. If the objective of the section is to maintain the differential in respect of the terms which currently apply with regard to 40 years' standard benefits earned over 30 years, the trade unions have suggested the following approach: an accrual rate up to 3.74 times the State pension would be 0.7% at a standard plus 33%; an accrual rate over 3.74 times the State pension would be 1.67% at a standard plus 33%; and a lump sum accrual at a rate of 5% at a standard plus 33%. This is just one proposal that has been made by the trade unions and I am sure the Minister has been lobbied by them on this matter.

[Senator David Cullinane.]

This issue is important to the category of workers affected and we are of the view that the Minister should re-examine the position on section 26. We must ensure we get the legislation right. Despite the rancour associated with the debate up to now and the fundamental difficulties we have with the Bill, we recognise that he and the Government have moved a great deal further than their predecessors. We have differences of opinion with trade unions on average earnings, for example, and linkages with the consumer price index. We have taken a pragmatic view and accepted that much of what the Minister is doing is correct. It is common sense and we support it. Trade unions do not support all of what the Minister is doing. That is fair enough. They are entitled to their view but we as legislators must adopt the positions we believe are correct for all citizens and we have done that. This is one of the areas on which the trade unions have a genuine concern that should be examined by the Minister. In that context, we will oppose the section. I await the response of the Minister.

Deputy Brendan Howlin: I cannot accept the amendment because it would delete the section and the net impact of that would be that there would be no fast accrual for those special services such as members of the Garda and the Permanent Defence Force and the normal scheme would apply to them. That is not what the Senator intends but it would be the effect of deleting the section. This is a special provision to allow for fast accrual and payment of pension on retirement early to those three categories, namely, the Garda Síochána, the Permanent Defence Force and fire service personnel.

We have had discussions with the trade union movement. It has a responsibility to advance the interests of its members. The purpose of the scheme is to make a fairer scheme generally. To put it bluntly, I cannot imagine anyone in the private sector giving such a Rolls Royce pension to anyone. Members of the Garda Síochána can retire at 55 years of age. A member of the Permanent Defence Force can retire at 50 years of age. One could be 40 years in receipt of a pension. Under this scheme everyone else in the public service will not be paid a pension until the age of 66, 67 or 68. It will be 68 by the time anyone will accrue a pension under the new scheme. Those people will have a pension from a much earlier age when they retire, rightly so.

Actuarially, to afford to pay a fast-accrual based pension in the way we calculate it from the age of 50 is regarded as an extremely good provision. Objectively, most people in the private sector would see that as a very fair provision for people on whom we depend, such as the Permanent Defence Force, the Garda Síochána and firefighters. It would not be fair to expect them to continue working until the age of 68 or 70, nor would it be fair to expect them to retire early and to have no entitlement to a pension until the normal pension age. We are making provision for them to accrue an earlier pension.

The Senator has given a lot of figures. I can give him the basis of the calculations. They are done very carefully. We have had detailed discussions with the trade union movement. These matters have been rehearsed before the Labour Court as well. On balance, we are satisfied that this strikes a balance. Taxpayers have to pay for all those pensions and we must retain public support for them. While I accept what the Senators are saying, I have engaged with the trade union movement — my officials have done so directly — and they understand that this is a fair system that will allow those special categories of public servant who are front line in the real sense to have a much more favourable pension entitlement than the general body of civil or public servants.

Senator David Cullinane: I accept much of what the Minister said but the reality is that the workers involved and those in the trade unions are not in their view pushing for Rolls Royce pensions for those workers.

Deputy Brendan Howlin: My father was a trade union official.

Senator David Cullinane: I accept that.

Deputy Brendan Howlin: He taught me the basic rule of trade unionism from an early age. It is when you are asked what you want the answer is always “more”.

Senator David Cullinane: To be fair to the trade unions involved, they have come up with what they feel are genuine alternatives. I outlined one of them. In fairness to the trade unions involved, they have engaged with the Department and lobbied the Minister strongly but it is not fair to say that they have not come forward with what they would consider as viable alternatives. They might not be acceptable to the Minister but the unions have worked constructively on the issue and they have legitimate concerns on the position that has been adopted by him in the legislation and the impact it will have on the workers concerned.

The Minister should accept the point that the unions have put forward alternatives. That must be put on the record of the House. From their perspective genuine alternatives have been tabled. I have given one example and there are a number of others which they discussed with the Minister as well. That information should be placed on the record of the House.

Senator Thomas Byrne: Does the Minister’s reference to discussion with the trade union movement include the Garda Representative Association, PDFORRA and the other associations or were the discussions with SIPTU and other such unions? The GRA is not satisfied with what has been proposed. Its members think it is unfair.

Senator David Cullinane: Neither is SIPTU.

Senator Thomas Byrne: I know. SIPTU has been mentioned a lot but it does not represent gardaí, members of the Defence Forces and prison officers. It might represent fire officers. There are different categories of worker involved. A special case can be made for them that they provide a particular service that forces them to retire early. They feel that a further unfairness is being imposed on them because of this section. The Minister has said that the unions are happy with it but that is not the case. He might think it is a reasonable balance but from what I hear the representative bodies do not agree with that and they make a fair case.

Deputy Brendan Howlin: I am the son a trade unionist. I was brought up in a trade union household. The job of a trade union is to represent its members. Whatever is on offer, it wants to do a better job. It is logical that trade unions want more. Our job is to be fair and balanced and to do a job for the taxpayer. The most important element of any public servant’s pension in the future is to say that the pension will be there; that the State will be in a position to pay it, and that we can have certainty about that. That is why we must transform the situation because, as was outlined during the long discussion on Second Stage, the dependency ratio is altering and the capacity of the State to meet extraordinarily heavy bills in the future — 30 and 40 years hence — will be hugely demanding.

We must make these adjustments, which are for everybody. Some will not get an entitlement until the age of 68, because we are pushing out the general retirement age to link into the social welfare retirement age that was passed by the Houses last year, but I am not moving at all on the retirement age for those bodies. To actuarially work out a pension for someone who goes into a job at 22 or 23 and retires at 50 and then is potentially in receipt of a pension for 40 years is a significant contribution for the State to make. While I understand and applaud

[Deputy Brendan Howlin.]

the rights of trade unionists to make a case for a better regime — of course they should do that — what is on offer is fair and, on balance, it is recognised to be so.

Question put and declared carried.

Sections 27 to 39, inclusive, agreed to.

SECTION 40

Acting Chairman (Senator Michael Mullins): Amendment No. 16 has been ruled out of order as it would impose a potential charge on the Exchequer.

Amendment No. 16 not moved.

Senator David Cullinane: I move amendment No. 17:

In page 46, lines 1 to 23, to delete subsections (3) and (4) and substitute the following:

“(3) Pensions payable under the Scheme shall be indexed in line with the Consumer Price Index.”.

I will be brief because I am interested in the Minister’s response. We support the move to index pensions in payment in line with the consumer price index, CPI. Our difficulty with it is in the wording which creates uncertainty as it allows for the increase to be implemented at the Minister’s discretion. I am aware that was the subject of a debate in the Lower House as well.

This section allows for the review of the pension in payment in line with the CPI, with which we do not have a difficulty but we are seeking to remove the ministerial discretion because we believe there must be certainty in that regard and it should be reviewed on a yearly basis. It is on that basis that we tabled this amendment. We believe there must be consistency. Workers must have confidence that their pensions will be re-evaluated in line with the consumer price index basis every year, and that is in step with their equivalence in other sectors.

That is an issue which was the subject of a great deal of lobbying, and I am sure the Minister was lobbied on it. We were, and we met a number of groups which had difficulties with some of what is contained in the legislation and requested that we table amendments to this effect. That is a serious concern of ours in regard to the Minister’s discretionary element and we want to make sure that the pensions of people who work in the public sector are re-evaluated in line with the consumer price index year on year and not be just subject to ministerial discretion. I look forward to the Minister’s response.

Deputy Brendan Howlin: I explained this in the other House when a similar amendment was tabled. The Senator supports the idea of indexing in reference to the consumer price index but he wants to remove the mechanism I have suggested and insert the words “Pensions payable under the scheme shall be indexed in line with the Consumer Price Index.” The problem with that is it does not state the “how” or the “where”. Is it the CPI which is published every month?

Senator David Cullinane: Yearly.

Deputy Brendan Howlin: It does not state that. Is it every six months, every year or every two years? There is no mechanism in what the——

Senator David Cullinane: The logic of Committee Stage——

Deputy Brendan Howlin: There is no logic in law.

Senator David Cullinane: —is that we can accept the principle and come back on Report Stage.

Acting Chairman (Senator Michael Mullins): The Minister, without interruption.

Deputy Brendan Howlin: There is no logic in regard to this. It is what is written down, and that would be a moot assertion because one would not know when, how or who would declare it. In the section I have given the power to the Minister for Public Expenditure and Reform to bring it into effect. The section explains that the CPI will be examined in the second year after the scheme comes into operation, and an increase shall be given within a year of that. The CPI is published on a monthly basis but it can take several months before the figures settle. There might be a spike or a diminution, and we need to have an average. I would anticipate pensions and reckonable amounts would typically be uprated together within, say, six months of the year end. I have given an assurance in the other House, and I give it readily here, that it is the firm intention that this will be done on an annual basis within, say, six months of the settled figures being produced by the CSO.

Senator David Cullinane: I was making the point that when amendments are tabled on Committee Stage and if a Minister is of the view that there is some flaw in the amendment he might accept the logic of the amendment and it can be dealt with on Report Stage. If the concern is that we have not specified the “how”, we will not press this amendment, and we will return on Report Stage with an amendment that will specify the “how”.

Senator Tom Sheahan: That is the way to do it.

Senator David Cullinane: We will see then if the Minister will accept it.

Acting Chairman (Senator Michael Mullins): Is the amendment being pressed?

Senator David Cullinane: No.

Amendment, by leave, withdrawn.

Section 40 agreed to.

Sections 41 to 46, inclusive, agreed to.

SECTION 47

Question proposed: “That section 47 stand part of the Bill.”

Senator Thomas Byrne: As I said on Second Stage, this provision is unnecessary. It pre-empted the outcome of negotiations with public sector unions in regard to the Croke Park agreement. It is putting the gun to the head of the negotiators in that agreement. It is clearly signalling the Government’s intentions by putting into primary legislation a possible outcome of those negotiations. Leaving this unnecessary section in the Bill, the Minister is forcing us to oppose the Bill in its entirety because we have a fundamental problem with this section. It is unrelated to the rest of the Bill, which is about new entrants to the public sector, and it will be the subject of negotiations on the Croke Park agreement. We should have those negotiations, if they are to be real, and see what comes out of them. The idea that there is some sort of

[Senator Thomas Byrne.]

convenience factor is not an argument that stands up to any scrutiny. It would be convenient to legislate for this if the Government decides to do it. It is not convenient to legislate for something the Government has not apparently decided on one way or the other, and it is a wrong precedent to establish in legislation.

Senator David Cullinane: This is the so-called enabling clause which provides for the Minister to uprate current public service pension schemes in line with the consumer price index but at an undetermined point in the future. That is part of our problem with it.

As this may be my last opportunity to speak on this section I want to indicate that we will be opposing the Bill. As I said earlier, we support career averaging and linking the pensions in payment to the CPI. That makes sense in terms of the logic the Minister outlined earlier. A situation could arise where somebody is appointed to the position of a county manager, remains in that position for a number of months and their pension is then calculated on their final salary. We fully accept the logic of the career averaging, which makes perfect sense, and the need to link pensions in payment to the CPI but our problem is that linkage is done at some undetermined point. That is one of our difficulties with it.

We also have a difficulty with what we would see as a two-tier element to this where new entrants to the public service will be treated differently from some existing public servants. We have had that debate but that is a genuine concern on our part. I accept that the Minister has gone some way to addressing what are important issues affecting public pensions which needed to be addressed.

Deputy Brendan Howlin: I understand the views of the Senators, which they expressed on Second Stage. Senator Cullinane accepts the principle of applying the consumer price index and therefore I presume he is not opposing this section. I did not hear him say whether he was or was not opposing it but if he believes that increases related to the CPI is the way to go, then they are the way to go for everybody. We have not applied them because of the existing situation that applies under the Croke Park agreement. This is available for some future date if this Government or any future Government decides, in the generality of it, to apply the consumer price index increase rather than reference to any pre-existing salary point. If we applied this now or had done so for the past number of years, it would be greatly advantageous to public servants who have had no increase. Nobody in the public service has had an increase; in fact, they have had diminution.

For completeness in regard to Senator Cullinane's point about the modality of doing this, as he will read in section 47, if at some future date I or my successor Ministers determined to make such an order, a draft of the order would have to be laid before this House and fully debated, and the draft would have to be approved by a resolution passed by these Houses. The actual mechanism would have to be laid out, debated and voted on in this House before it could have effect. That should give all the assurances the Senators require.

Acting Chairman (Senator Michael Mullins): As it is now 5 p.m., I am required to put the following question in accordance with an order of the Seanad of this day: "That section 47 is hereby agreed to and that, in respect of each of the sections undisposed of, the section is hereby agreed to in Committee; that that the Schedule and Title are hereby agreed to in Committee; that the Bill is hereby reported to the House without amendment; that the Bill is hereby received for final consideration; and that the Bill is hereby passed."

Question put.

The Seanad divided: Tá, 30; Níl, 15.

Tá

Bacik, Ivana.
Brennan, Terry.
Burke, Colm.
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.
Higgins, Lorraine.
Keane, Cáit.
Landy, Denis.
Moloney, Marie.
Moran, Mary.
Mullins, Michael.
Noone, Catherine.
O'Keeffe, Susan.
O'Neill, Pat.
Quinn, Feargal.
Sheahan, Tom.
van Turnhout, Jillian.
Whelan, John.
Zappone, Katherine.

Níl

Barrett, Sean D.
Byrne, Thomas.
Cullinane, David.
Daly, Mark.
Leyden, Terry.
MacSharry, Marc.
Mooney, Paschal.
Mullen, Rónán.

Norris, David.
Ó Clochartaigh, Trevor.
Ó Murchú, Labhrás.
Power, Averil.
Reilly, Kathryn.
Walsh, Jim.
Wilson, Diarmuid.

Tellers: Tá, Senators Paul Coghlan and Susan O'Keeffe; Níl, Senators David Cullinane and Diarmuid Wilson.

Question declared carried.

Health (Pricing and Supply of Medical Goods) Bill 2012: Order for Second Stage

Bill entitled an Act to establish a list of groups of interchangeable medicinal products which may be substituted for each other in order to enable savings to be made for patients or the Health Service Executive, or both, where the lower priced medicinal products are supplied, to establish a list of drugs, medicines and medical and surgical appliances which may be supplied under section 59 of the Health Act 1970, to establish mechanisms to set the prices of such drugs, medicines and medical and surgical appliances where they are so supplied, to rename the Irish Medicines Board, to provide for the consequential amendment of other enactments; and for related matters.

Senator Maurice Cummins: I move: "That Second Stage be taken today."

Question put and agreed to.

Health (Pricing and Supply of Medical Goods) Bill 2012: Second Stage

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

An Cathaoirleach: I welcome the Minister for Health, Deputy Reilly, to the House.

Minister for Health (Deputy James Reilly): I am pleased to have the opportunity to address the House today on Second Stage of the Health (Pricing and Supply of Medical Goods) Bill

[Deputy James Reilly.]

2012. This Bill will introduce a system of generic substitution and reference pricing for prescribed drugs and medicines. These reforms will promote price competition among suppliers and ensure that lower prices are paid for these medicines, resulting in savings for both taxpayers and patients.

The Bill sets out the Government's proposals to allow the substitution of medicines by pharmacists at a patient's request and to improve and update the statutory basis for the supply of medicines and other prescribed items under the General Medical Services, GMS, and community drugs schemes. It sets out a clear legislative basis for the supply and reimbursement of items to patients under the GMS and community drugs schemes. It also sets out criteria which the HSE must take into account when making reimbursement decisions. This Bill will allow the HSE to attach conditions to the supply of certain items, provided that any restrictions are evidence-based and in the interests of patients and ensuring value for money. However, it is important to note this Bill does not change the existing arrangements for the supply of items through community pharmacies. This Bill is patient-focused and will allow patients to continue to be able to access prescribed medicines in line with their clinical requirements. In addition, if a particular brand of medicine is required by a patient for clinical reasons, then the patient will face no additional charge for that product. It is important, in the current economic climate, to take every step possible to provide public services efficiently, to limit costs to the greatest extent possible and to involve users of resources in better understanding the value of those resources and their appropriate use.

The magnitude of expenditure on medicines and non-drug items, such as dressings, in the public health service cannot be underestimated. In 2011, this expenditure amounted to just under €2 billion. In addition, hospital expenditure was in the region of €300 million. Significant savings on the drugs budget already have been made in recent years. In 2009, changes in wholesale mark-up paid on medicines and the introduction of a common sliding dispensing fee across all schemes, together with the reduction of the retail mark-up paid on a number of schemes, resulted in an ongoing annual saving of approximately €120 million. Further reductions in 2011 resulted in additional ongoing savings of more than €34 million. This included a reduction in wholesale mark-up on most drug items from 10% to 8%. In addition, my Department and the HSE continue to engage with the Irish Pharmaceutical Healthcare Association, IPHA, to secure reductions in the price of drugs. As an interim agreement, the IPHA has agreed to provide €10 million in savings in 2012, which represents €20 million in a full year, through reductions in the price of off-patent medicines. The HSE shall give its approval to the reimbursement of drugs, which in the normal course of events would have been approved for reimbursement under the schemes. This agreement is in advance of more substantive discussions to deliver a new agreement and substantive price reductions. Moreover, meetings have been held in recent days in this regard.

With regard to the reimbursement approval for new and expensive medicines, the Health Service Executive will look at a range of important inputs before making a recommendation regarding funding approval for particular drugs. The HSE seeks to provide the best access possible to new services and new technologies from within its resources. In any health system with a fixed budget, each decision to fund a new service or technology has implications for the availability of resources for other services or technologies. That, unfortunately, is a challenge faced by all health systems, even in a good economic climate.

The Chief Medical Officer was recently asked to examine the approval system for new drugs and to engage with the HSE to ensure a robust system is put in place for decision-making on drugs to promote and drive evidence-based prescribing. This should help to create capacity on a sustainable basis to provide for necessary new drugs when there is evidence to support their

use. In addition, a national task force on prescribing and dispensing will be established to deal with prescribing and dispensing of existing medicines. It will address this from the perspective of quality and patient safety primarily. However, it can be anticipated significant cost savings will result. By addressing the issue from the perspective of quality and safety, and by working with the leadership of the medical, pharmaceutical and other professions, we have the best means of securing a sustainable means of improving value for money from the significant expenditure of the State on prescribed medicines.

The task force is made up of several key leaders from the health care system and chaired by the Chief Medical Officer. Its terms of reference require it to oversee and to direct analysis of the very extensive information that is held on prescribing patterns through the primary care reimbursement service. This information will be used to establish priorities to be addressed in quality and patient-safety prescribing and will inform decisions on the nature and scale of interventions that should be undertaken. These can range from providing advice, guidance and support to prescribers and dispensers to help them to improve prescribing practice to assessing the suitability of maintaining supply of certain items with limited efficacy where more appropriate items are available.

Despite the progress I have outlined, pharmaceutical expenditure continues to pose a challenge, particularly in light of our ageing population and increased usage of medicines. Further changes in the form of generic substitution and reference pricing are required to secure a sustainable system of pharmaceutical expenditure while, at the same time, ensuring patients can continue to access necessary and innovative medicines. Generic substitution allows pharmacists to substitute a cheaper generic equivalent at the patient's request when a more expensive product has been prescribed. Generic medicines are equally as safe and efficacious as proprietary products and are subject to the same requirements for quality, safety and efficacy. The Irish Medicines Board will have responsibility for the designation of interchangeable medicines.

Reference pricing involves setting a common reimbursement amount for selected groups of medicines. Only the reference price is reimbursed by the State. Eligible patients can avoid out-of-pocket payments by opting for a generic medicine at or below the reference price. Reference pricing coupled with generic substitution provides patients with an incentive to opt for the cheapest available product but does not impose any unavoidable additional costs on patients. Generic substitution and reference pricing represent significant structural change to the system of pricing and reimbursement of medicines.

As more medicines come off patent, the introduction of generic substitution and reference pricing will ensure both taxpayers and patients will benefit from increased competition in the pharmaceutical market. Giving patients more choice and promoting price competition between suppliers will help reduce the overall drugs bill without compromising the efficacy or safety of the treatment that patients receive. Savings will be achieved by limiting reimbursement to the reference price allowing patients to opt for less expensive versions of the prescribed medicine and promoting price competition between the manufacturers of interchangeable medicines.

The level of savings will be dependent on a range of factors including the number of medicines included in the reference price system, prescribing practices and the behaviour of manufacturers of interchangeable medicines. The system will be introduced on a phased basis and, accordingly, savings will be achieved on a phased basis.

Part 1 provides for the definition of certain terms used in the Bill and the laying of regulations. Part 2 provides for the establishment and maintenance of a list of interchangeable medicinal products. It sets out the duties of pharmacists for prescriptions for interchangeable medicinal products under their branded names and includes a number of scenarios. It also sets

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out the duties of pharmacists for prescriptions for interchangeable medicinal products under their common names.

Part 2 also contains some miscellaneous provisions. These include the provision that no action or other proceeding shall be instituted against a pharmacist or prescriber when a pharmacist substitutes a medicinal product for a branded interchangeable medicinal product in accordance with the legislation. Also included is the provision that a prescriber may indicate on a prescription if a branded interchangeable medicinal product should not be substituted for clinical reasons.

Part 3 provides for the dispensing of medicinal products under their common names where they are not interchangeable medicinal products. Part 4 provides for the establishment and maintenance of the reimbursement list. It also provides for the conditional supply of listed items by the HSE and the setting of prices for items and listed items. This provides the HSE with discretion to supply non-listed items to certain patients. Part 5 provides for the setting of a reference price for groups of interchangeable medicinal products. Part 6 provides for appeals to the High Court against relevant decisions of the IMB or the HSE; power to specify form of documents, fees to be paid to the IMB or the HSE and amendments to relevant Acts.

Schedules 1 and 2 pertain to procedural provisions relating to decisions by the IMB or the HSE. Schedule 3 sets out criteria for the purposes of decision making by the HSE under section 18.

Two issues were to the fore when this Bill was drafted, namely the sustainability of the supply of medicines and the safety of generic medicines. Shortages of essential medicines are a cause of concern not just in Ireland but throughout Europe and the rest of the world. It is a global problem affecting health systems in all countries and impacting on patients worldwide. Medicines shortages can be caused by a combination of factors throughout the pharmaceutical supply chain such as manufacturing difficulties, industry consolidation and commercial decisions by manufacturers to withdraw unprofitable lines.

Irish medicines regulations place an obligation on both manufacturers and pharmaceutical wholesalers, within the limits of their respective responsibilities, to ensure the adequate availability and supply of medicines on the Irish market to meet patient needs. My Department has been engaging with the IMB, the HSE and the Pharmaceutical Society of Ireland, PSI, to identify ways in which the Irish system can manage medicines shortages as effectively as possible to minimise the impact on patients. International efforts to effectively manage medicines shortages are also being considered. Pharmaceutical production is carried out by private enterprises. The State or my Department can only intervene to a limited extent to prevent medicines shortages occurring. The IMB and the HSE continue to work closely to operationally manage medicines shortages when they arise. In addition, the PSI works with the pharmacy profession and has recently published guidance to registered pharmacists on managing medicines shortages. Manufacturers, wholesalers and pharmacies all have responsibility to work together to identify shortages quickly and implement alternative arrangements to meet the needs of patients. In this context, section 24(3)(a) provides that when the HSE sets a reference price, or reviews a reference price for a group of interchangeable medicinal products, it has to take into account the ability of suppliers to meet patient demand. In other words, reference prices will be set at levels which will facilitate rather than jeopardise supply.

The safety of generic medicines underpins this Bill. However, it is important to point out that generic medicines must meet exactly the same standards of quality and safety and have the same effect as the original medicine. All of the generic medicines on the Irish market are required to be properly licensed and meet the requirements of the IMB. To further enhance

the safety aspect of generic substitution, section 13 gives a prescriber the option of indicating on a prescription that a branded interchangeable medicinal product should not be substituted, if there are clinical reasons not to do so.

The programme for Government includes the commitment that reference pricing and greater use of generics will be introduced to reduce the State's large drug bill and the cost to individuals of their medicines. This legislation will introduce a system of reference pricing and generic substitution for prescribed drugs and medicines which will ultimately lead to savings for taxpayers and patients. It is envisaged the Bill will contribute to an increase in the rate of generic prescribing which stands at approximately 18%. I will, of course, keep the implementation of reference pricing and generic substitution under constant review and will report back to both Houses. This measure will allow for better prescribing, cost-effective prescribing and greater availability to patients as our funds must stretch further. I commend the Bill the House and look forward to hearing the views of Senators.

Senator Marc MacSharry: I welcome the Minister to the House and thank him for bringing forward this legislation. In one way it is a shame it has taken so long. I acknowledge, as the Minister did, the savings that have been made through negotiations with the various representative organisations and other measures dating back to 2006, and particularly 2009. I welcome the aspiration with which this Bill sets out that cheaper and better prescribing and dispensing will take place in terms of the provision of reference pricing and the supply of generic drugs, etc.

I have concerns about the Bill, despite the fact that on the Order of Business my colleague, Senator Byrne, wished to have all Stages taken this evening to prevent undue delay in implementing the provisions. This is effectively the second last day and as Committee and Remaining Stages will not be taken in this House until the autumn. I ask that in the intervening period some consultation would be entered into by the Department with patient advocacy groups and with the manufacturers and suppliers, both wholesale and retail, to further refine aspects that may need to be visited.

As no doubt the Minister will be aware, last week there was an effort here by Senator Crown and myself under the guise of the Access to Cancer Treatment Bill 2012 to put a relatively clear process on the provision of cancer drugs. It was voted down. One of the reasons given in the speech which was delivered on the Minister's behalf was that the current Bill was due and it would put people in no doubt as to the clear process that would be available to them in terms of the provision of drugs that would come online. I suppose Ipilimumab is the most recent example but there are others. Having read the Bill, I cannot find that clear process. It seems at least as obscure and unknown as it was before the Bill was published. There is nothing in this Bill that gives a patient or a patient advocacy group any recourse to a decision that is made to provide a drug, to have a drug provided or anything like that. If one is not a party to it, if one is not a drug manufacturer or supplier, one has no role at all. In fact, the Bills Digest, sometimes prepared in advance of debates in the Houses here on a non-partisan basis by the Library, states that the Bill does not provide a system where potentially affected third parties are able to make submissions. That is a concern which, on Committee Stage, must be dealt with by way of amendment.

Even if one is a stakeholder or one of the parties that can be consulted or has recourse, it will take 194 days following application before it will receive a decision. Therefore, it will be more than six months before a drug could be available. If the answer is "No", the only recourse is to appeal to the High Court. Depending on one's ailment, sadly, one would be dead while we deliberate on whether a drug should be available. Perhaps that process was followed for Ipilimumab because it was the approach on the Joe Duffy radio show that had to be adopted ultimately to secure the provision of that drug. Senator Crown and I tied to ensure that while

[Senator Marc MacSharry.]

preserving the State's necessary right to say that a drug is too expensive when measured against the outcomes, a decision could be taken quickly and the buck would stop with the Minister.

The Bill will make the HSE, or whatever replaces it, all powerful in this area. The Minister referred to a task force on prescribing and dispensing to be headed up by the Chief Medical Officer. Who else will it include? What is the decision-making process? How long will it take them to make that decision? Will it be within the 180 days or do the 180 days only start when somebody applies? If, for example, the National Cancer Control Programme, NCCP, decides that Ipilimumab or the next such drug is to be supplied, can it circumvent that process to have a drug added to the list of those being provided? In the event that the programme makes such a recommendation, does the national task force on prescribing and dispensing take the decision? Is it the task force, the office of the Minister or one of the directorates to be established, such as primary care or mental health, that the NCCP would ask to provide a certain drug? What will the decision-making process be? If, for example, a patient knows there is an EMA approved drug in Germany and the physician and oncologist — if it is an MS drug, it would be the neurologist — wants to prescribe it, and because Ireland is only 1% of the market the drug company concerned has not taken an interest in supplying here and has not yet applied to the 194-day process to get a decision, this Bill does not tell the patient how he or she can gain access to that drug. The Bill is obscure. It is *ad hoc*. In many ways, it replicates the approach that is being taken to the HSE at present. I would like further clarification on that aspect.

My party will not oppose the Bill on Committee Stage but it contains many defects in terms of putting the patient first. In the first couple of paragraphs of his speech, the Minister stated this was patient-centred. I stated the same last week on another piece of legislation. I do not believe this is patient-centred.

We all are in favour of cheaper drugs. The Minister will have the full support of Fianna Fáil with that aspect of the legislation but in terms of security of supply and a process to get a drug in this country, I am none the wiser today than I was two weeks ago. As I stated, the Bills Digests clearly states that the patient is not fully included in this process. That is why I would hope that, in the month or however long it will be before Committee Stage in the House, there would be consultation with a number of persons. I am sure Senator Crown would be available. I am certainly available to give my views as a consumer on what should be done.

On a minor aspect of the process, the EU Council transparency directive requires the publication of objective and verifiable criteria for deciding whether or not to include medicinal products. I do not see that anywhere in this list. I do not see anything clear or verifiable. I only see that there will be a task force. We do not know who will be on it or what criteria will be followed in the determination other than a list of basics, such as value for money and subject to resources of the HSE. What is meant by value for money? How does one determine the cost per year of life saved when experts, such as Senator Crown, would say that such is too crude a methodology in its own right because drug A might give me a week in terms of remission but might give the Minister an period? As a result, we cannot merely clinically state that the cost per year of life saved will be the one included there. Bearing in mind that we have obligations under the EU transparency directive to have a clearly verifiable criteria, which is clearly absent from this legislation, what on Committee Stage can be brought forward to alleviate the concerns of patients? While welcoming that those drugs that will be available and approved for distribution will be cheaper and we can have generic brands, what is being done to ensure clear processes are in place to address issues arising around those that are not? What are we doing to bring clear processes? I am sorry to be bringing it back a week. I welcome the positive aspects to the Bill in terms of cost. It was a policy that followed on from the previous

Government, as the Minister has acknowledged. However, I am concerned about this other aspect and I would like him to address it if not in his closing remarks then on Committee Stage.

While we want the cheapest medicines available to the State given our resource situation, it would be remiss not to mention the contribution of pharmaceutical industry to the country in terms of employment and our health care. I ask the Minister to take on board to the extent possible the industry's concern over continuity in the Irish market. At the end of the day we all want to get the best value for the consumer. The Minister will have wholehearted support in that regard. However, I ask him to take those other issues on board.

Senator Colm Burke: I thank the Minister for bringing this important Bill to the House today. I wish to deal briefly with last week's Bill, on which I made my views quite well known. I believe section 3 of that Bill gave a blank cheque to drug companies because it made it quite clear that once it was approved by the European Medicines Agency and once it was prescribed, the HSE had to provide it. There was no connection between section 3 of the Bill and section 5 relating to the powers of the Minister. That was my concern about it.

Regarding the availability of drugs, there is the issue of European regulation on cross-border health care, which will have an effect on us here. Access to medical care and drugs will be affected by that directive which was passed by the European Parliament, Commission and Council in February 2011 and we have 30 months within which to implement it.

The figures for 2000 to 2009 show that spending per capita on pharmaceuticals in this country increased by 8.7%, which was the second highest increase in OECD countries. The cost to the State has increased dramatically between 2000 and 2010. While the briefing note from the Department referred to a 185% increase, my calculation is that it is a 230% increase. The general medical scheme increased from €338.8 million to €1.233 billion, the cost of the drug payment scheme from €140 million to €173 million. Costs for long-term illness increased from €41.7 million to €126.9 million. The cost of high-tech drugs increased from €51.9 million to €361.2 million. In total, costs increased from €573 million to €1.894 billion, a 230% increase in ten years. That represents a huge drain on the medical services. One of the reasons we need the Bill is to tackle this increase. Between 2000 and 2008 the cost of the drug payment scheme increased from €143.6 million to €311.9 million. While there was a reduction thereafter, that represents a very significant increase in a very short time period.

I have an issue with the cost of drugs in hospitals. I do not know if we have figures on the amount hospitals spend on drugs. I have seen estimates of approximately €300 million. Do we have a breakdown on the cost for each hospital? The Minister might not be aware that some hospitals are now giving prescriptions to people to buy the drugs outside the hospital even though they are being administered in the hospital. I presume this is being done to remove that cost from their budgets. A cost is now being added to the State in that procedure and that issue needs to be addressed.

In addition to an increase in the cost, the volume of drugs used has increased dramatically. Between 1997 and 2007, there was an increase from 20 million items used per annum to 40 million items. We need to consider whether doctors feel that regardless of the complaint they must immediately prescribe. We all have a responsibility in this regard.

There is also an issue with the cost per item. An item that used to cost €11.50 in Ireland cost €3.50 in Brussels. Last week I spoke to someone who now buys their drugs when going to Spain. The cost here is €120 and the cost in Spain is €40 for the same drug. In 1997 the average cost per item under the GMS was €11.20 and is now €23.27, which is a substantial increase in a very short time period.

[Senator Colm Burke.]

The Bill is welcome. Of 29 countries across Europe, 23 are using generic substitution. We are considerably behind in that the amount of generic substitution is only approximately 18%, which is extremely low. The Bill is comprehensive in dealing with that. The area is currently governed by section 59 of the Health Act 1970 and there has been no major reform in more than 40 years. It puts the obligation on the health service in the purchase of medication and drugs. The Irish Pharmaceutical Healthcare Association has raised concerns over the Bill. Those concerns need to be considered as we deal with the Bill.

We need to get value for money in providing health care. We have allowed costs to increase substantially in a very short period of time. Last year we spent more money on health care than we got in income tax. We have considerable work to do to ensure we get value for money in the health service while at the same time ensuring we can provide a comprehensive health service. While we are doing that at the moment we must ensure we use the budget we have effectively in order to provide a comprehensive health-care system for the entire population. When people criticise the health-care system they often fail to take into account that the number of people with medical cards has gone from 1.146 million to more than 1.76 million and the figure is very close to 2 million when those with GP-only medical cards are included. We now have a reduced budget to provide health care for a far larger number of people with a 50% increase in the numbers under the medical card scheme. We need to deal with those issues.

We have major challenges with the health-care system. The Minister is dealing with those challenges and this is just another step in dealing with it in a comprehensive and careful manner. This Bill is just one of the issues we need to address. I look forward to the Committee Stage debate and to seeing the legislation pass through both Houses of the Oireachtas and implemented.

Senator Sean D. Barrett: I welcome the Minister. I always appreciate his visits here. He probably has the most demanding job in Irish public life. It was compared to a certain country in Africa at one stage. I commend the Department for the great documentation it sent us on key trends in health in Ireland. Towards the end of the document it is stated that *per capita* expenditure on the health service in Ireland, despite the belief that the Minister is Dr. Scrooge, was at €3,781 in 2010, which is a little less than in Belgium but more than in Finland, Italy, Japan, Spain, Sweden and the UK and approximately the same as in France. We must face the value for money issues and I am delighted the Minister is doing so. The drugs bill of €2.3 billion is approximately one eighth of the total expenditure because we have a large amount of private health insurance and large numbers of over-the-counter medicines are used. Another 88% will undoubtedly occupy the attention of the Minister and it is what is recommended by the IMF.

I support the Bill and this is inherent in the comments I am making. We do not want to solve one problem and create a bigger one. According to departmental sources, in 1980 we ran the health service with approximately 55,000 staff; it now has 104,000 staff. The total increase was 87% but in clerical and administrative roles it was to an index of 195%. We went from having 5,000 administrators in 1980 to 16,000 at present. This must be addressed. A metaphor for the Irish health service is Dr. Steevens' Hospital near Heuston Station, which was a fine hospital that was converted into offices for administrators. When one is ill one does not look for offices for administrators; one looks for the care of health service professionals. This is a problem we must address.

We must also address the issues in the Milliman report. On the previous occasion when the Minister came to the House he told us he brought Milliman back to the Department and the VHI because it found a lack of budget-consciousness which accounted for the high cost of

health insurance in Ireland. The version of the report that the Leader received for us is heavily redacted, but a piece on page 31 which escaped the redactor states that for medical inpatient admissions the VHI average length of stay in 2009 was 10.6 days but the international well-managed standard is 3.7 days. This is a vast bill for the Minister to have to cover. The average length of stay for well-managed surgical inpatient admissions was 3.7 days but the VHI average was 7.5 days. The money spent on €1,000-a-night bed-and-breakfast for people kept in hospital unnecessarily comes from the Minister's budget for care of patients. We have enough hotels to look after people. This must be examined.

The pattern indicates that the defence by the Department of its in-house health insurance company had the normal effects of creating a monopoly. When Aer Lingus was protected it was extremely expensive to fly. I would like a situation whereby competing health insurance companies could say they recruited all of the old people but because they did not pay over the odds for drugs — they had read the Minister's speech in the Seanad on 19 July 2012 and read the Milliman report — they found they could give a better deal on health costs. This would benefit us all because it would introduce a competitive element so the VHI would have to respond and examine its high length-of-stay costs and expensive drugs which the Minister seeks to control. Like other Senators, I look forward to working on this over the vacation and coming back to the Minister.

I like the decision taken today on the abolition of the HSE. How many wrong turns did we take? We did not like regional health boards because they were too bureaucratic, so we created the HSE, but the bureaucracy grew. It is time to think fundamentally about what our destination should be. Mine would be to make the hospital the individual unit and let two or three hospitals compete. If similar patients get out of one hospital faster and are treated by the drugs advocated by the Minister today rather than very expensive drugs, people would get to know this. Perhaps too much centralisation took place and there was too much bureaucracy.

Like other Senators I will be thinking about and working on the Bill in detail. An emphasis on cost-consciousness is required because, as I stated at the beginning, we do not stint on health expenditure here. Even in the dire circumstances in which we find ourselves we have chosen models which are excessively based on hospitals. I support the Minister's attempts to move this out to the community. It also seems to be excessively bureaucratic, given the large growth of bureaucracy since 1980. If in this context cost-consciousness has not addressed the cost of drugs despite the fact that they account for one eighth of expenditure, let us start with this and put a new emphasis on the patient and value for money. It is possible to combine the two, which is why I welcome the Bill.

Senator John Gilroy: I welcome the Minister to the House. At the outset of Senator Burke's contribution, he made reference to the Private Members' Bill on access to cancer treatment which came before the House recently. I would also like to make reference to it because it was a good example of how we can find policy in one area is not only inconsistent with policy in another but contradictory to it. It behoves us all as legislators to keep an eye on the wider picture when we bring forward legislation to ensure consistency across all policy areas, particularly when the policy areas in this regard are so close to each other.

I welcome the Bill. Expenditure on pharmaceuticals is probably the single biggest non-payroll cost in the entire health service. While it is vital to protect patient safety and, as importantly, patient confidence, substantial savings can be made in this area. I note the previous Government wrestled with this issue from 2009 and made some savings. It is time, once and for all, that we tackle this in a comprehensive manner, which is what the Minister proposes to do in the Bill. The Bill goes a long way towards achieving this effect.

[Senator John Gilroy.]

The previous Government published a report in 2010 which was good and comprehensive. It proposed a model of price referencing and generic substitution similar to the one proposed by the Minister. However, it did not progress very far — perhaps, as Macmillan said, because events overtook it. The Government has taken the initiative on the issue and has brought forward legislation to give effect to a major advance in public policy. If we do not take this step it is estimated that within the coming years the cost of drugs will increase by approximately €400 million or €500 million to approximately €2.4 billion. Many countries in Europe and elsewhere have in place many of the elements proposed in the Bill.

The Minister and Senator Burke referred in their speeches to the surprisingly low level of generic prescribing that takes place in Ireland. It certainly was a surprise to me to learn the level is 18%. Perhaps it hints at the success of the marketing campaigns of the major pharmaceutical companies in the country. We could examine this also. At present, when a branded medicine is prescribed, the specific medicine must be dispensed. Under the proposals before us, pharmacists will be able to substitute a designated interchangeable medicine, which will result in substantial savings.

I had a look at the *Monthly Index of Medical Specialities*, MIMS, dated January 2012. The publication gives a listing of drug names, dosage and usage and is extensively used by drug prescribers. I will not mention the name of one particular drug, which is listed under a branded name and of which doses of 20 mg are available for prescription. The generic name of the drug, which deals with stomach upsets and ulcers, is omeprazole. A dosage of 30 20-mg tablets under the brand name is costed in MIMS at €17.28, but under the generic name the same 30 tablets cost €12.42, which represents a saving of 30%. We know that Omeprazole is a widely prescribed drug in this country. I shall mention a similar drug that the Minister also knows. A drug that is sold under the generic name of Cimetidine where 60 tablets of the branded product cost €10.35 but 200 tablets, at the same dosage, of the unbranded or generic drug cost €11.05. That could mean a 300% saving.

Deputy James Reilly: Way too much.

Senator John Gilroy: I understand but my examples give an impression.

Deputy James Reilly: It is even worse now.

Senator John Gilroy: The Minister is correct. I have outlined some of the issues that the Bill proposes to address. It also requires that the HSE takes prices in member states and a range of other factors into account and that may generate some interest when we try to tease out the matter.

I shall give one more example of a well known pharmacy chain that operates here that sells a box of paracetamol under a generic name in its UK store at a cost of 16p for 16 tablets but the cheapest price in its Irish store is €1.49 for 12 tablets which is a big discrepancy. It will be interesting to see the international price comparisons and we will watch with great interest.

There is a concern about the inter-changeability of medical preparations because they must be exact. Again, I know from an example that I could cite from the MIMS booklet that to replace one for one might be problematic, particularly dosage levels. I am sure that when we introduce the Bill that the market will take care of the anomaly in dosage levels and that companies will produce the same dosage levels for existing non-generic drugs.

In order for the legislation to be successful it must be accompanied by a comprehensive public awareness campaign. Many people do not appreciate that identical drugs are sold under

branded and generic names but that is probably due to successful advertisement campaigns by the pharmaceutical industry. As a former health service professional I was constantly surprised by the questions that people asked. When a person presented with a headache he or she would be offered panadol which would be rejected because he or she had taken paracetamol. Obviously they are the same and there is room for confusion among the general population. Compliance is one of the main concerns and we need to be careful about it.

I would like one addition made to the Bill. I would like a mechanism to institute inquiries if it became obvious that prescribers were over-prescribing branded medication when a generic option was available. Again, I point towards the perceived close relationship between some prescribers and the pharmaceutical industry and I am not saying that it is anything stronger than a perception.

The Bill is welcome. To be fair, the last Government did attempt to tackle the issue but for one reason or another it ran into a wall somewhere along the way. This Government will not be so hesitant in adopting it and the Labour Party supports it. We look forward to early cost savings and better services for patients.

Senator Feargal Quinn: I am delighted to see the Bill and what it is based upon. It seems to me that the Minister has grabbed hold of a vast opportunity here.

I know something about generics through my grocery business. In the 1980s a French company called Carrefour introduced *produits libres* which people were excited about it. My company could not get over the price difference between products that were branded, advertised and promoted and the *produits libres* products wrapped in plain black and white packaging. My then company introduced it which led to quite dramatic benefits for the public and such lines have continued under different headings. The Bill provides a great opportunity for us.

One of my colleagues in Superquinn served on a committee in 1994 and 1995 that worked on behalf of the Department of Health and I must lay my hands on its report. Its aim was to improve purchasing and for six months a small team analysed products and not just generics. It recommended that £50 million worth of savings could be made by centralised buying. The team was amazed at what it regarded as the inefficiencies of purchase protocols at the time. There are huge opportunities to make savings today.

I have raised the issue of the cost difference between patented and generic drugs before and we have heard a lot about it tonight. I could not believe it when I learned that branded medication often costs 30 times more. A few minutes ago Senator Gilroy talked about one branded product being much more expensive than its generic equivalent in Ireland. In 2009 this country had the highest spend per person on pharmaceuticals in the OECD countries.

At present if a doctor automatically uses brand names then a chemist is obliged to dispense them rather than generic drugs that might cost a fraction of the price. Earlier we heard that it does cost a fraction of the price. There is no cost to the doctor but there is a cost to the State. I am amazed at the difference between what people pay here for drugs in pharmacies and prices charged in other countries. We heard a lot about it in this debate. The introduction of generics offers an immense opportunity to secure a reduction in costs and prices.

I am glad to see that medical card holders who choose more expensive branded medicines over cheaper generic alternatives will have to make up the difference. That is a sensible idea. It is also apparent that private patients could save money where their pharmacist suggests substituting a cheaper alternative to the medicine prescribed. Recently a friend of mine was in Austria and he was given a generic drug rather than the one identified on his prescription. He gave his prescription to the chemist who offered him an alternative generic.

[Senator Feargal Quinn.]

Spain enacted a law that requires doctors to prescribe a generic brand where possible rather than a brand name. In turn, pharmacists are required to provide the cheapest available version of the drug prescribed. Should we follow its stringent example? Such a law would reduce leeway but may bring more savings. Italy announced measures in 2010 that included a mandatory price cut of 12.5% on generic drugs. Can we do the same here?

Can the Minister comment on a claim by some that most generic drugs are slightly different from their branded counterparts and that changes could prove fatal to people with serious health conditions such as epilepsy, asthma or those who have had an organ transplant? I am especially wary for recipients of an organ given the difficulties that they would have undergone to receive a transplant. I note that the Bill made no reference to these conditions. Do we need to make such references? Are we completely safe? Can we be safer? Is there a greater threat that the market will be flooded with counterfeit medicines?

The discovery of fake cancer drugs has increased in the US. For example, one container of the anti-cancer drug Avastin was found. It is a drug that can cost around \$2,500. This year fake cancer drugs were purchased by nearly 100 doctors, mostly in California. I have called for a traceability system to be introduced to combat counterfeit medicines like the one used in Turkey, France, Italy and Belgium and piloted in Sweden. It is a barcode system that assists in the fight against counterfeit medicines and makes them easily identifiable and protects the customer. Californian law now requires pharmaceutical manufacturers to serialise drug packages by equipping them with an *e-pedigree* by the beginning of 2015. I know something about the system because some years ago Superquinn introduced a traceability system called Iden-tiGEN that was developed in Trinity College for beef traceability during the BSE scare. If it is possible to trace beef then the same can be done for drugs. We should draw attention to traceability especially as the market has been estimated to be worth €100 million. I do not know what it is worth but I am sure that it is more than that sum. Can the Minister indicate whether traceability systems employed by other countries have been studied? I am sure that they have but I would like to hear his view on the matter. I am also anxious to hear the Minister's view on the European law due to be implemented in July next year which will impose higher standards of proof of the purity of "any active pharmaceutical ingredients", the contents of medicines, which come from outside the EU. This may result in medicine shortages. There is some debate that this is an over-reaction to medicines sold via the Internet. Can the Minister comment on this legislation? Many concerns have been expressed by the Irish Pharmaceutical Healthcare Association, and I am sure the Minister will have been made aware of them. Perhaps he will refer to the concerns the association mentioned when it lobbied Members.

I am delighted with the Bill. The Minister has taken the right steps but I hope he can reply to my queries.

Senator Deirdre Clune: I am glad to have the opportunity to speak on this Bill. It is an extremely important measure and was a commitment in the programme for Government. Much has been done to try to reduce the excessive cost of prescription drugs in this country. There has been much debate previously on the matter. The Financial Emergency Measures in the Public Interest Act focused on the wholesale mark-up price and significantly reduced the cost of some prescription drugs.

This Bill is welcome. It is important that we press the issue of trying to control the price of drugs and ensuring that generic products are used by providing for it in legislation. It will be good for costs and also for competition. I note that the patient will be involved and will be offered generic drugs by the pharmacist. It will be subject to their agreement. It is important,

too, that should they not wish to use the particular drug, they can pay the cost themselves. The IMF or should I say the IMB, the Irish Medicines Board, will be responsible for the designation of these drugs, although we could also get to the point where the IMF will be. The IMB is an august body and knows what it is doing. It licenses products and prescription drugs and it will be responsible for the designation of drugs that must be interchangeable.

On the subject of generic drugs and drugs that are coming off patent, the jobs and enterprise committee had a discussion yesterday with Barry O'Leary of the IDA. Being from Cork, I am very conscious of the impact of drugs coming off patent. There have been a number of job losses in the area due to it happening in the case of Lipitor, which has had a significant effect. The pharmaceutical industry is very important in this country. We have heard a great deal from it not just with regard to this Bill, but also about its difficulties in bringing drugs to the market. There is a rigorous testing process, which is important and necessary, but it is becoming more difficult to develop individual products and there is a longer lead-in time to production. The cost of producing drugs is very high. Nevertheless, I note that following negotiations the industry has provided savings of €10 million in June 2012. The Minister also said he had negotiations with the industry on this Bill. That is important because the industry has circulated its concerns to all Members and they will be addressed on Committee Stage.

I have been looking at the responses of various organisations on the issue of generic drugs. The IMO welcomed them but said there is a need to inform the patient. It will be very important to have a public information process because the patient who will probably have confidence in a brand might have a certain fear or concern about being offered a generic product. That concern must be addressed. It is only by informing people about the thinking behind this move that we can have their confidence and bring them with us. That is an important point. In addition, the Irish Pharmacy Union, IPU, while welcoming the fact that its members will be dispensing cheaper generic drugs, and it happens quite often anyway despite there not being a statutory obligation to do so, has expressed concerns about the reference pricing. It says it could result in shortages in supply and in some players exiting the market. Perhaps the Minister will address that concern in his reply.

The health committee held hearings on the issue of the pricing and use of generic drugs. The Irish Osteoporosis Society and the Asthma Society of Ireland had concerns about the generic alternatives that would be on offer to their members. I do not have the expertise to comment on that but I assume that if there are concerns about the quality of alternative products, they would be addressed by the IMB.

Senator David Cullinane: This Bill is very welcome. All of us hoped it could have been before the House much earlier, but it has arrived now and we support it. It is unfortunate that we cannot complete the legislative process before the summer recess. Members would have preferred if it had been possible to deal with it before the summer, but we must wait until we return in September to finalise the Bill. That is unsatisfactory but at least we are making some progress.

Generic substitution and reference pricing have been talked about for a long time. There is no doubt that this Bill will save the State significant amounts of money. I do not know if the Minister was listening to the radio recently but there was a great deal of commentary about him in respect of many issues. There was a very good discussion on one of the morning programmes on RTE Radio 1 on this issue, and a number of people rang the programme to talk about their experience of over-prescription and the waste of medicines. All of us can provide such stories. When my paternal grandparents were alive we had to get their doctors' prescriptions filled. Often one cannot read what is on the prescription; one simply hands it over to the pharmacist and receives a bag of medicines. When we got home we regularly discovered that

[Senator David Cullinane.]

most of what was in the bag was already in my grandparents' home. The same story was told by dozens of people. It is a constantly recurring experience. Aside from the fact that we need to reduce the cost in terms of general practitioners issuing prescriptions for branded drugs and the pharmacist having to provide those drugs, there is also a problem with over-prescription and a need to have a proper regulatory oversight mechanism to ensure that a pharmacist can see what medicines are being prescribed, how often they are being prescribed and to make rational decisions about dispensing medications which, in some cases, might be unnecessary. Of course, that is difficult to legislate for but it is something that must be examined.

The HSE spent an estimated €1.9 billion in 2010 on medicines and non-drug items supplied to patients under the GMS and community drug schemes. This includes approximately €384 million paid to community pharmacy contractors in respect of dispensing fees and retail mark-ups. Savings were made last year through some reforms but all of us accept that a great deal more can and should be done to achieve savings over the next few years. In fact, this issue featured in Sinn Féin's pre-budget submission in 2008. It is something we have lobbied previous Governments to do and we have put forward proposals on how this could work. I am pleased the Government is dealing with the issue, albeit a little late. It could have been brought forward earlier but it is welcome. We must deal with other issues to address the cost of medicine in our health care system. Sinn Féin has called for the establishment of a State wholesale distributor of drugs. It could be used as a mechanism to save the State money. The expansion of the role of pharmacists to include medicine use review to help ensure patients get optimum benefit from medication and to help the reduction of waste should also be considered. The Minister for Health should initiate a comprehensive national audit of drug prescriptions in hospitals and in the community. That would be helpful to guide us on where savings could be made.

In opposition, the Minister of State agreed with the following point when the then Minister, Mary Harney, introduced the notorious prescription charges for medical card patients.

Senator Thomas Byrne: The first broken promise.

Senator David Cullinane: The Labour Party, Fine Gael and Sinn Féin disagreed with the charge at the time. We all accept the cost of medicine to the State and to individuals is too high and we all acknowledge there is waste and over-prescription of medicine. We also agree measures must be undertaken to address the problems but the last way to do so is to punish those who are least able to pay. In opposition, the Minister, Deputy Reilly, was very clear that he was opposed to the charges and would seek to abolish them. We are still awaiting the abolition of those charges. Age Action said that over-prescribing and inappropriate prescribing is a problem in Ireland but that the Minister must address this point with the doctors who write the prescriptions rather than hitting the patients. Since the patients do not write the prescription, penalising them will do little to change prescribing practices. It is important to deal with real issues in respect of waste.

A number of issues were raised with me by a local pharmacist with regard to other European countries that have addressed the problem by introducing a public service obligation under the European Directive 2001/83/EC. It requires wholesalers to guarantee permanently the provision and timely delivery of medicinal products to meet the needs of patients. In response to medicine shortages in Canada, the House of Commons standing committee on health issued a new report entitled *Drug Supply in Canada: A Multi-Stakeholder Responsibility*. It outlines the measures the Canadian Government intends to take to address the shortages. This issue needs examination and discussion on Committee Stage and in the Dáil. The prolonged shortage of essential medicines has caused much dissatisfaction among patients as pharmacists endeavour to explain the ongoing difficulty in sourcing medication. Eltroxin is an example of a drug

that is not readily available, a point raised by a local pharmacist. I welcome the Bill and the measures contained in it. We want to see the savings made as quickly as possible and Sinn Féin will offer whatever support it can to get the Bill through as quickly as possible.

Senator Terry Brennan: Cuirim fáilte roimh an Aire. I agree wholeheartedly with the objective of the Bill and the question of promoting competition between suppliers and introducing interchangeable medicines to ensure greater value for money. This puts the onus on patients to opt for cheaper generic medicines. We all require the cheapest drugs and greater savings are in all our interests. I refer to the costs of similar drugs in Northern Ireland, a point I have raised in the House before. Significant savings can be made if people go for generic or branded drugs. These may be the same drugs from the same manufacturers and the same distributors but the difference in cost between North and South is inexplicable. Does the Minister of State have an opinion on the price difference between North and South? The cost of drugs is such that families from the midlands and further south go north and, while they are there, they fill their boots with groceries.

I refer to the substitution of generic drugs. I have attended warfarin clinics, where people arrive in the morning before they go to work and wait for two hours for a blood test. Everyone is advised to come to the clinic at the same time. Something must be done. The patient is there for hours and we must also consider the time of nurses, technicians and the time it takes to check the blood count. A significant period of time is involved to determine the increase or decrease in warfarin intake. Branded drugs are available but are more expensive than warfarin. I attended a clinic where 30 or 40 people attended at the same time once a fortnight. A substitute is available and I, and many others, take it. It is more expensive but the overall cost to the State, when one considers the cost of doctors and nurses in hospitals, is lower. I have blood tests twice a year, as do many people I know, in place of warfarin. It is a pain in the neck to take half a day to go to a warfarin clinic, wait, get blood tests and return for results. In some instances, prescribing branded drugs would cost less to patients who are working. I am sure there are similar clinics in different parts of the country. I advocate the cheaper drugs but the branded drugs may save the patient and the HSE time and money.

Senator Thomas Byrne: The Opposition offered that all Stages of the Bill could be taken today in an effort to be helpful and to allow the Department of Health to reach its budget targets. It will not be the fault of the Minister of State, from what we hear in the Department, but this summer the HSE is facing a raft of costs. For once, even the Government will not be able to blame the IMF or Fianna Fáil.

Senator John Gilroy: We can never go too far wrong blaming Fianna Fáil.

Senator Thomas Byrne: We will not delve too far into the backgrounds of a number of Government Senators, who were in various parties over the past ten years. It is a legacy issue and we all have legacy issues.

A false Estimate was put forward by the Minister for Health in respect of the HSE at the beginning of the year. Substantial savings were promised in respect of this Bill, which was first promised last August. This Bill is a fine piece of work and, on its own, it is welcome. However, seven months into the 2012 financial year and one year after it should have been drafted, the Bill is not welcome. The delay in the Bill means wards may be closed, operations will be cancelled and people will suffer. It is all very well if the Minister goes on television saying that he is doing a great job for the consumer but, by delaying, the Government is not doing so in this case. The Minister, Deputy Reilly, has essentially done nothing in regard to this Bill which would have achieved substantial savings. I do not know what the Government will say to the

[Senator Thomas Byrne.]

IMF and the people at the end of August or in early September when substantial cuts will have to be introduced in the HSE budget, partially because this Bill and a number of other measures were not introduced. Those other measures relate to agency nurses and the cost of private beds in public hospitals. Those issues simply have not been addressed by the Minister, Deputy Reilly. I exclude the Minister of State, Deputy Shortall, from this because it is clear there is a serious problem in the Department of Health and, as far as I can see, it is not coming from the Labour Party side.

We support this Bill but we are very concerned that introducing it in the Seanad on the second last day of the session is a tick the box exercise for the IMF. However, the Government will not be able to tick the box for people whose operations are cancelled and in regard to ward closures in September. We will remind the Government that we offered to pass this Bill — I am sure opposition parties in the Dáil would have facilitated its passage there — to allow savings to come into effect much more quickly and to make up some of the shortfall. We support the Bill but do so with a heavy heart. We were willing to allow its passage this evening but for whatever reason, it is being unnecessarily delayed until the autumn which is the exception to the rule given that Bills are guillotined.

Senator David Norris: I welcome the Minister of State. This is an important Bill. Anything that reduces the charge to the State of the medical service is welcome, in particular in the difficult circumstances in which we find ourselves. However, there is a balance to be struck. I am not a big fan of pharmaceutical companies but there is no doubt whatsoever that there are research and development costs involved in producing new drugs. For every drug that is successful, a number are unsuccessful. Scientists are engaged in the production of these products and sometimes they fail at spectacularly late stages in the trials of the drugs. We had the classic example of Elan which appeared to develop a wonderful drug, Tysabri, that was used in the treatment of a most horrible disease, multiple sclerosis. Rather sadly, it appeared to have significant side effects which made its continued sale problematic. This is the kind of thing which can confront pharmaceutical companies. Although I am by no means a supporter of pharmaceutical companies, and think that some of them in the past have proved to be nothing other than highway robbers, at the same time there is this balance to be struck.

I welcome the fact the Minister indicated that this Bill is patient-focused. My colleague, Senator Quinn, who spoke earlier made a career in business by saying the customer was king. In the health service, the patient should be regarded with due respect and as one of the most significant elements in the equation. This is not always the case, so I am very glad this is patient-focused. However, we are dealing with an ageing population, which increases the requirement for drugs, and with more sophisticated drugs. Situations which simply had to be tolerated before can now be addressed by expensive drugs. We are moving into an area where choices may have to be made. I am realistic and accept human beings, including myself, are perishable goods. I happen to think that death is one of the best inventions for which God was responsible, otherwise we would be in an intolerable situation on the planet. However, I understand the very human desire to keep going for as long as possible with whatever pharmaceutical assistance is available.

I welcome the reduction in pricing but I have a certain number of concerns. I was a little bit confused when the Minister spoke about the cost of drugs and said that the magnitude of expenditure on medicines and non-drug items such as dressings in the public health service cannot be underestimated in 2011 and that this expenditure amounted to just under €2 billion. I am not sure what the difference between medicine and drugs is. I am sure there is a distinction and perhaps we could be advised as to what precisely it is because if I go into a chemist with

a prescription for a medicine, I presume it is a drug. There is a difference with Elastoplast. To my mind, even Aspirin is a drug.

While I am on the subject of drugs — this is a slight digression — on the Order of Business today there was a lot of talk about O’Connell Street, the awful things that happen, all the druggies and so on. I think we have to remember that these people are human beings. I live at the other end of O’Connell Street and I walk that street every night and will walk it again this evening. I meet drug using people — I met two last night. They were an absolutely wonderful couple and my heart went out to them. They were the remains of a very beautiful pair — a young man and a young woman. The woman was the stronger of the two and was desperately trying to get her companion off heroin. There is not sufficient provision in terms of methadone or, indeed, trying to get people off methadone. We should support these people instead of writing them off as human garbage to be swept aside. We should understand that they are human beings. I had a conversation with them the length of O’Connell Street. They did not threaten me with any violence. They were not rude but they were in despair and we need to do something to help them.

Section 13 may be unlucky for some because it gives a prescriber the option of indicating on a prescription that a branded interchangeable medicinal product should not be substituted if there are clinical reasons not to do so. I would have thought that if something was contraindicated and, for example, it could be damaging to one’s liver to take a particular thing, there is an obligation on a doctor in this regard. I do not think it should be an option if the doctor feels like indicating it. The responsibility of the doctor is to the patient. Unless there are reasons against it, I would like to see this section strengthened, if possible, so that the doctor is required in circumstances where there could be damage to the patient’s organic well-being to ensure that drug is not prescribed. I note there are clear attempts to ensure generic drugs are as safe as the non-generic ones. There is a time period after which the patent runs out and this allows for the kind of experiments about which I talked and the cost of these and so on.

I would like to raise the question of AIDS. This is a national and international situation and I hope Ireland will continue to play a role internationally in putting pressure on the drugs companies because the combination drug therapy for AIDS is quite astonishingly successful to someone of my generation who saw so many people I knew die in very difficult and traumatic circumstances. Luckily for many people in this country, this combination therapy is available and has remarkable results. In the rest of the world, this is not always the case. I would approve of any move which made these generic drugs available in sub-Saharan Africa. Pressure must be kept on the pharmaceutical companies.

I welcome the Bill, which is a good one. I know there may appear to be an irony in the fact that this side of the House suggested it would take all Stages of the Bill but I think that shows responsibility. I usually oppose this — I am not a member of any party, so there is no party advantage — and think it is bad political practice to take all Stages of a Bill. I have always objected to it but in this case, I would have happily consented to it if it was of help to the Government and the patients. For some reason, this appears not to be possible, which I regret. However, I am not making or attempting to score a party political point. I invariably oppose this procedure but there are times when one must be politically flexible and I would have agreed to it had the Government chosen to put all Stages of the Bill before the House today.

Minister of State at the Department of Health (Deputy Róisín Shortall): I thank all of the Members who contributed to the debate and thank them for their consideration of, and input into, the legislation. Their points will certainly be taken on board in the progress of this Bill.

[Deputy Róisín Shortall.]

Senator Byrne offered to sit late and to take all Stages, although his colleague was not in agreement with that earlier. I also acknowledge the offer made by Senator Cullinane. I too would very much like to see this Bill going through but I agree with the point made by Senator Norris that it is quite complex legislation. It has been promised for a very long time and there has been a lot of pressure surrounding it within the Department. There has been ongoing communication between the Department and the Office of the Attorney General over several months in order to produce this legislation. I wish to pay tribute to the extensive background work that has been done in getting us to this point. There is an understanding that Members would be allowed a reasonable period of time to consider legislation, especially when it is very complex and that is the balance that must be struck. It is safer to take our time on this and to allow time for people to give it adequate consideration.

I wish to reiterate my commitment and that of the Government to maintaining and improving access to medicines for Irish patients. As I have said on a number of occasions, this must be done in the most cost-effective and efficient manner possible. The core objective of this Bill is to achieve value for money while maintaining and improving levels of service. I wish to make clear that by cost-effective, I mean paying the most appropriate price for a particular product. There is no longer any justification, if there ever was, for paying a premium for a particular brand of medicine when an equivalent medicine, as assessed by the Irish Medicines Board, IMB, can be supplied at a much more competitive price.

Senator David Norris: Hear, hear.

Deputy Róisín Shortall: It is very important to emphasise that patients will continue to be able to obtain their necessary medications from their community pharmacist and that patients and tax payers will benefit from paying less for their medications. Moreover, this Bill also provides that if, in the opinion of a prescriber, there is a clinical reason why a medicine should not be substituted, then the patient shall receive the prescribed medicine at no extra cost.

The second core element of this Bill is the placing of the current HSE reimbursement list on a statutory footing. This is a timely provision and will support the introduction of a system of reference pricing and generic substitution.

Senator MacSharry raised the question of the transparency directive and in that context I wish to clarify that this Bill, if passed, and the associated regulations will meet the requirements of the current and proposed directive. A number of Members raised the question of safety, which is of paramount concern to us all. The IMB has, and will continue to have, responsibility for the approval of medicines, both originator and generic, on the basis of safety, quality and efficacy. The IMB will designate medicines as interchangeable with strict regard to safety. The robust systems that are being provided for will ensure that the issue of safety continues to be of paramount importance.

Senator Quinn raised the issue of falsified medicines which is a matter of grave concern, particularly because of the wider use of the Internet. In that context, a directive is due to be transposed in January of 2013 which will greatly improve the powers to deal with counterfeit medicines.

Senator Byrne and others raised the question of savings in the health budget. We all know that the bill for medicines in this country is unacceptably high. The most recent figures available indicate that it represents approximately 17% of total health spending, which is not sustainable. The equivalent figure for the UK is approximately 9%. The Acting Chairman referred to the fact that medicines are much cheaper across the Border. We must bring costs and prices more

into line with the UK. It is important to point out that the savings targeted in the budget are largely related to direct price cuts and not the provisions of this legislation. We certainly must get better value for the considerable spend we make. We must reduce the prices and get a better deal from the suppliers in the industry. There is much talk about the need to bring new medicines on stream as soon as possible but we can only afford to do that if we manage to drive down the total drugs bill. There is no space within the health budget for the very considerable additional costs of many of the new medicines coming on stream unless we can drive down the cost of existing medicines.

This legislation is important from a cost point of view but it will not deliver a big bang this year or next. The target savings in a full year from this legislation are approximately €10 million. However, over the medium to longer term, the potential exists to make significant savings on an ongoing basis, principally by driving competition in the market. In that way, prices will be driven down and we will all benefit from that. It is not something that will happen overnight, however, but over a longer period of time.

The Acting Chairman raised the issue of Warfarin and Pradaxa and the HSE is seeking to identify the opportunity costs from moving from Warfarin to Pradaxa. This is an ongoing process. The issue of drug addiction was also raised by Members and the fact that the extent of the problem is clear if one walks through the centre of Dublin. It has taken quite some time to get acceptance for drug addiction treatment facilities, a number of which now operate in the city centre. It is a good thing that such facilities are available but while there is a perception that there is a concentration of them in the city centre, the figures do not bear that out. There is a very wide spread of facilities across the greater Dublin area. I recently looked at the figures for people attending the four treatment centres in the city centre and 85% of them were from the immediate local area. Often those services are blamed for the very unacceptable anti-social activity and drug dealing that is going on in the city centre but that is predominantly a policing issue, in my view, which needs to be addressed. In the past week I saw some very welcome figures indicating that the waiting lists for drug treatment centres have reduced considerably over the past year.

Under Section 13 (2), the Minister shall make regulations regarding GP and clinical exemptions. The Medical Practitioners Act, 2007, will be amended accordingly to take note of these regulations.

In conclusion, the general criteria set out in the Bill and the regulations to come from it will assist the HSE in making timely decisions regarding reimbursement, will provide clarity for the pharmaceutical industry on the application process and ensure that the HSE achieves best value in the provision of medicines under the General Medical Services and the Community Drugs schemes.

I thank all Members of the House for their contributions and I look forward to the Bill being further considered on Committee Stage.

Question put and agreed to.

Acting Chairman (Senator Terry Brennan): When is it proposed to take Committee Stage?

Senator Colm Burke: In the next session.

Acting Chairman (Senator Terry Brennan): When is it proposed to sit again?

Senator Colm Burke: At 10 a.m. tomorrow.

Adjournment Matters

Flood Relief

Senator Deirdre Clune: I thank the Cathaoirleach for allowing me to raise the need to support householders in the Cork area who were victims of flooding almost three weeks ago. Some of those whose homes were damaged did not have insurance, although others did. In all cases, people will find it difficult to get insurance following this episode of flooding. Even if they can get insurance, it will come at a premium. The Minister for Social Protection announced that a previous humanitarian assistance scheme, which was put in place in 2010, will be extended. I would like the Minister of State to clarify who will be eligible for the scheme on this occasion. Some €10 million was allocated following flooding in Monaghan and Dublin, but just €788,000 of it was applied for. I know from my experience of dealing with people who were affected by the 2009 Cork floods that these schemes can be quite onerous. I accept that many people, including those with insurance, are not eligible. Many people found that the previous scheme was means tested. I suppose it is right that means are considered. If one has a small sum of money in one's bank account — one might be saving for a holiday — that will be considered. Very few people were eligible for the previous scheme. I would like the Minister of State to spell out who will be eligible for this scheme. How does he envisage that it will be administered? What level of means will be deemed to make one's application under the scheme ineligible?

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon): I thank Senator Clune for raising this matter. The Government recognises the plight and devastation that the recent floods brought to homes and families in various parts of Cork. I have significant experience of similar flooding in my own area of east Galway. In recognition of the severity of the situation, the Government has announced the extension of the humanitarian assistance scheme to assist the affected householders. This scheme is similar to those which were established in the wake of the Dublin flooding of 2011 and the Galway flooding of 2009. This scheme, which is means tested, provides emergency financial assistance to households that are not in a position to meet the cost of essential needs in the period immediately following flooding. The aim of the scheme is to provide financial support to people who have suffered damage to their homes. The intention is to provide hardship alleviation, as opposed to full compensation. Repairs for structural damage caused as a result of flooding can also be considered under the scheme.

Humanitarian assistance does not cover risks that are covered by insurance policies, business or commercial losses, or loss or damage to private rented accommodation or local authority accommodation. The Government has not set a limit on the amount that can be paid to an individual household under the humanitarian assistance scheme. The level of payment will depend on the relative severity of the damage experienced and the ability of households to meet their costs. We will ensure the funding is appropriately targeted. All household income will be considered when entitlement to payment is being determined. In general, a single person with a gross income of €30,000 or less will receive 100% of the amount determined, as will a couple with a household income of up to €50,000 or less. The income level that is applicable to couple households also applies to lone-parent households. For each €1,000 of household income above these levels, the person will be required to make a personal contribution of 1% towards the cost. A further additional allowance of €10,000 per qualified child is applicable in these circumstances.

People seeking assistance under the humanitarian assistance scheme should contact their local representative of the Department of Social Protection. Those affected who are unable to attend their local clinics due to mobility issues or other difficulties can request house calls or make appointments with departmental staff. Full details of the scheme and application forms are available on the Department's website. It should be noted that officials in my Department are continuing to provide individuals affected by this flooding with exceptional and urgent needs payments to offset immediate needs; for example, assistance with the purchase of food, clothing, bedding and emergency accommodation needs. To date, 31 individual families in the affected areas have received payments totalling approximately €16,000. The full extent of damage will only be apparent as houses fully dry out and as affected families return to live full-time in their properties. Accordingly, the Department expects to continue to receive applications over the coming weeks.

Senator Deirdre Clune: I thank the Minister of State. As his reply has provided the clarity I was seeking, I have no further questions.

Employment Support Services

Senator Paschal Mooney: Cuirim fáilte roimh an Aire Stáit. I understand he will respond to me on behalf of the Minister for Jobs, Enterprise and Innovation, Deputy Bruton. An Irish executive from PayPal Ireland publicly announced last week that her company will have to import workers to fill approximately 500 of the 1,000 new jobs it announced earlier this year. She bemoaned the fact that PayPal Ireland has been unable to recruit locally-based workers as a result of the lack of linguistic skills in this country. I emphasise that I welcomed the job announcement at the time because it was wonderful news for Dundalk and the rest of the north east. I expressed the hope that it would give unemployed people a real opportunity of finding meaningful and sustainable long-term employment.

I was disappointed that the chief executive of IDA Ireland, Mr. Barry O'Leary, more or less seemed to dismiss any concerns arising from the announcement that was made by the PayPal executive. It was reported that he said it did not really matter if 500 jobs were filled by people from overseas because a further 500 jobs would be filled by people from Ireland and the local economy would benefit from the total of 1,000 jobs. However, at a time when 430,000 people in this country are on the live register — and 200,000 hard-core unemployed people have been out of work for a year or more — I think it is a very real problem. I am not expecting the world to change as a result of the Adjournment matter I am raising, but I would like to get some answers. Is there joined-up thinking between the Departments of Jobs, Enterprise and Innovation, and Education and Skills? Are there any plans to address the lack of linguistic skills among the unemployed who are actively seeking jobs?

A number of articulate former employees of the TalkTalk facility in Waterford were interviewed on "Morning Ireland" earlier today. One of them spoke of taking a new career direction, which I hope will be successful, while the second indicated he had written to between 15 and 20 companies seeking work since losing his job in TalkTalk, a call centre where he had worked for eight years. PayPal is essentially a banking operation for those who wish to use the company's system as a method of payment for online purchases. There is not a great difference between the jobs in these companies because in both cases employees deal with members of the public. Are support services in place to encourage the second gentleman who spoke on this morning's programme to learn German, French, Italian or another foreign language? Are support services available to channel those who are actively seeking employment in the direction

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[Senator Paschal Mooney.]

of employment opportunities offered by companies such as PayPal? It appears from the public pronouncements of the chief executive of the IDA, Mr. Barry O'Leary, that PayPal's problem with the Irish workforce is almost exclusively related to its lack of linguistic skills as opposed to any lack of expertise. Mr. O'Leary also stated the company was actively advertising the vacancies across the world, particularly among the Irish abroad.

Is our network of embassies, for example, in Australia, the United States and some parts of Europe where Irish people have settled, especially Germany and the Low Countries where they will have linguistic skills, being used to actively encourage Irish people to return home to work in companies such as PayPal? I presume Irish people abroad would much prefer to work at home. Does the Government have a specific plan to address this problem, which is not an isolated one but the tip of an iceberg? I am concerned that the good work being done by the IDA and Government initiatives to create more opportunities for the unemployed could be lost in the wind through a lack of joined up thinking in efforts to address the lack of linguistic skills. Sadly, this is culturally embedded in society, primarily because we are an island nation that lies in close proximity to the United Kingdom and English is the international language.

Deputy Ciarán Cannon: I thank Senator Mooney for raising this matter. Education has an important role to play in the economic recovery of this country. I, therefore, welcome this debate on how the education system can contribute most effectively to this recovery. There is considerable investment by the Department in language provision. At primary level, the Department's policy, as detailed in the Government's National Literacy and Numeracy Strategy 2011, is that pupils will learn two languages, English and Irish. At junior cycle, as well as English and Irish, the other languages available include French, German, Spanish and Italian. There are many opportunities within the transition year for different language experiences. At senior cycle, the languages available include French, German, Spanish, Italian, Russian, Japanese and Arabic, as well as English and Irish.

The State Examinations Commission also provides examinations in a range of other European Union languages. For the 2012 leaving certificate examination there were 1,495 entries for 16 such European languages. Almost 12% of our post-primary students and the general population are of nationalities other than Irish. Many of them have a mother tongue that is not English. These individuals represent a potential local resource for employers to draw upon.

There are no plans in the current budgetary circumstances to extend the range of languages available. However, a number of developments are in progress which should help to ensure greater coherence in language teaching, including foreign language teaching. The National Council for Curriculum and Assessment is developing an integrated language curriculum for primary schools in the context of the national literacy and numeracy strategy. While the focus of this curriculum will be on English and Irish, the integrated approach should help children to transfer skills acquired in one language to other languages and so establish a sound foundation for the learning of a foreign language in post-primary school.

As part of junior cycle reform, the option of school developed short courses will enable schools to provide additional languages, if they so choose. At senior cycle, revised syllabuses for French, Spanish, German and Italian are expected to be finalised during the 2012-13 school year, following a process of consultation with relevant parties. At third level, students have access to a wide range of foreign language courses which can be taken as core subjects or in combination with a range of other disciplines. In addition, almost 150 new part-time higher education places on foreign language courses have been made available under Springboard 2012.

The supply of foreign language skills was addressed in a report published by Forfás and the expert group on future skills needs last month. The report highlights the important role that private sector employers can play in communicating the message that foreign language proficiency and cultural awareness are essential skillsets for future rewarding employment opportunities. I, therefore, welcome the recent contributions from those directly involved in generating employment opportunities to the debate on how the education system can support job growth and economic recovery.

To respond to the points made by Senator Mooney on the unemployed, the Senator is correct that proficiency in a foreign language seriously enhances an individual's ability to return to employment. For this reason, we are providing third level foreign language courses under Springboard 2012, which will get under way in September. These courses are available free of charge to people who are unemployed who may retain their unemployment support payments while participating in the courses.

Senator Mooney also referred to former workers in the TalkTalk company in Waterford. I will meet some of the workers in question on Monday next when I visit Waterford to assess how well the European Globalisation Fund support mechanisms are assisting them. People who have been made redundant by TalkTalk or other companies may assess what types of training supports they may need and use a training support grant to tailor a suite of support services or training opportunities that responds to their specific needs and assists them in the journey back to work.

Senator Paschal Mooney: I am grateful to the Minister of State for his response. While I had originally intended that the matter would be addressed by the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, I understand the reason it is being addressed by a Minister from the Department of Education and Skills as it is related to education. I welcome the various initiatives to which the Minister of State referred. I do not propose to be churlish about them because they are positive and good but they are aimed at the next generation rather than the current generation.

I am pleased the Minister of State also chose to address the specific issue I raised. My argument in this regard is that a proactive approach is needed to enable some of those on the live register to acquire linguistic skills that will allow them to take up opportunities presented by multinational companies. I hope the Department, in liaison with the Department of Jobs, Enterprise and Innovation, will provide opportunities to upskill to unemployed people who have an employment history that could fit in neatly with companies such as PayPal. I expect this important issue will be the subject of interdepartmental discussions. I ask the Minister of State to introduce in any such discussions the idea of recruiting Irish people who may be attracted to return from abroad. Many of these individuals left Ireland because they could not find work and have acquired language skills. I am grateful for the manner in which the Minister of State addressed the issue and appreciate that he understands its urgency.

Deputy Ciarán Cannon: I thank Senator Mooney and concur with the points he made. Leaders of enterprises who have pointed out particular skills shortages consistently argue that to be an effective member of their teams in centres such as those operated by PayPal, TalkTalk and Hewlett Packard in my home city of Galway, employees must have a high level of proficiency and fluency in a foreign language. They must attain a level close to that of a native speaker because the call centres located here deal with French, German and Italian natives. A considerable period of study and practice in the language in question is required to acquire this level of proficiency. However, the Deputy is correct that a number of people living abroad, including my sister who has been living in Germany for the past five years, have such pro-

[Deputy Ciarán Cannon.]

ficiency and one would hope that many of them will return home to avail of the opportunities we have been discussing.

Mutual Recognition of Driving Licences

Senator Mark Daly: I apologise to the Minister of State for being late. The debate on the Health (Pricing and Supply of Medical Goods) Bill concluded earlier than I had anticipated. The issue I raise is simple. What is the Department of Transport, Tourism and Sport doing on behalf of up to 8,000 Irish citizens who will travel to Canada this year to find work? We do not have an agreement in place with Canada with regard to driving licences and these people must sit the driving test again, both the written exam and the driving test, as if they had provisional licences. Not only is this inconvenient, but it delays them finding jobs as most jobs require a full licence. There is also an issue with regard to insurance as they are treated as if they are first-time drivers. This issue could be resolved easily if we put in place a scheme like that in the North and in England, which have an arrangement with Canada to provide that Canadian citizens arriving there can exchange their licence for an English one and *vice versa* when English people go to Canada. This allows for their years of driving experience to be taken into account for insurance purposes.

The Department of Transport has said that it does not deal at a sub-national level with authorities or with other than their equivalent Department of Transport or the equivalent body. However, in Canada licensing is done on a provincial basis, where each province has its own licensing system and issues its own licences. Therefore, our Department of Transport, Tourism and Sport is not willing to engage on this issue. This beggars belief. I raised this issue yesterday at a meeting of the Oireachtas Joint Committee on Foreign Affairs and Trade, because it concerns foreign affairs, but it is also an issue for the Department of Transport, Tourism and Sport. It is a concern for Irish citizens who must go abroad for work. While I do not expect a world-shattering response, I would point out that it should be just a simple processing matter. However, there must be the will to deal with it. Does the will exist within the Department of Transport, Tourism and Sport to engage with the Canadian authorities at a sub-national level to put in place a mechanism to provide for Irish people to arrive in Canada with their full Irish driving licence and exchange for a provincial licence there? I hope the Minister of State's response is enlightening and I urge him to raise this issue with the Minister for Transport.

Deputy Ciarán Cannon: I am taking this adjournment debate on behalf on my colleague, the Minister for Transport, Tourism and Sport, Deputy Leo Varadkar, who unfortunately cannot attend the Chamber this evening. I thank Senator Daly for the opportunity to address this issue today.

The Minister is aware that concerns have been raised that Irish citizens in Canada are unable to drive there on their Irish driving licences, owing to the fact that there is currently no mutual recognition arrangement between Ireland and Canada regarding driver licensing. There has been communication on this matter with the Tánaiste and Minister for Foreign Affairs. The Minister for Transport, Tourism and Sport is sympathetic to the position of Irish citizens in this regard and has asked the Road Safety Authority, the body dealing with driver licensing matters, to explore the issues concerned. He also understands that the Irish embassy in Canada has been in touch with the authorities in the Canadian provinces to see if they are interested in reaching some form of agreement. As Senator Daly pointed out, driver licensing operates at a provincial rather than national level in Canada. Preliminary indications of interest from the Canadian authorities have been very positive.

However, the Minister believes it is important to remember that facilitating the Irish abroad is not the only consideration at issue here. Any mutual recognition arrangement would mean that Irish residents in Canada could exchange their driving licences for Canadian ones and that Canadian residents in Ireland could exchange their licences for Irish ones. The Irish Government, and the Department of Transport, Tourism and Sport in particular, must take into account at all times the standards and qualifications required for people to be able to drive on our roads. For this reason, any driver licence exchange relationships entered into are always preceded by detailed study and comparison of the licence system in the other state as against the Irish system to ensure that the two systems are compatible. By definition, the Minister cannot guarantee what the outcome of such a comparison would be. While he would be very happy to be able to reach an agreement with Canadian authorities in this matter, he cannot prejudge whether such an arrangement will turn out to be feasible.

A further consideration to bear in mind is that Irish driver licensing rules operate within the framework of an EU-wide licensing system. The criteria essential for recognition of licences from other countries are testing and licensing regimes which meet the requirement of the ED directive on driver licences. On this basis Ireland recognises licences from and has mutual recognition and exchange of licence arrangements with other EU member states and a number of other jurisdictions, where research and discussion has shown that the standards operating in those jurisdictions match those here.

The Minister awaits with interest the outcome of the RSA's examination of Canada's licensing systems against this background. He hopes that it will be possible to reach agreement, but must caution that agreement is only possible if we can be satisfied that those who would be allowed to drive on our roads as a result of such agreement are indeed qualified to a standard acceptable within this jurisdiction.

Senator Mark Daly: I thank the Minister of State for his response. I note the case is that the Department is doing some research on the issue and cannot guarantee the outcome. Logic would suggest our driving test is not dissimilar to that in England. If England can do it, we should not have to wait too long. We do not need to send anybody to Canada to research the issue; all we need is to send them to London. The research should be pretty much the same as the standards there are similar to ours. I note there is an issue with regard to a convention on drivers that we did not ratify. Making a judgment and deciding a timeline are the issues. How long will this take? I suppose we can raise the issue again in the autumn, but it is causing difficulties for Irish people. Someone from Tyrone who has done pretty much the same test as somebody from Monaghan can go to Canada and exchange his licence, but the guy from Monaghan is at a disadvantage. We should not put our citizens at a disadvantage because of a process issue.

Deputy Ciarán Cannon: It is important to point out that engagement with the provincial authorities has begun and is ongoing. I concur with Senator Daly that it should not take too long to reach a conclusion, considering the history that exists between the UK and Canada and the two systems being quite similar.

School Transport

Senator Martin Conway: Cuirim fáilte roimh an Aire Stáit go dtí an Teach arís. The matter I wish to raise, school transport, is part of the Minister of State's brief and concerns a specific situation with which I am dealing in County Clare. It concerns a young child starting second level school in September who experienced systematic bullying in primary school. The medical evidence and doctor's certificates on this case are available to the Minister. The bullies that caused the problem will attend the school nearest and the bullied child will travel elsewhere.

[Senator Martin Conway.]

However, the rules of the transport scheme are that an allowance will not be provided unless the pupil is attending the nearest possible school. There must be exceptions and this should be one of them. This child will be far better served in terms of his education need if she goes to a post-primary school a little further away that will not be attended by the bullies. Then she will have some chance of being able to settle into school and of having the same opportunities as her peers.

I understand full well that the scheme must have rules. However, there are exceptional circumstances. On compassionate grounds, I appeal to the Minister of State to use his good offices to make an exception in this case, given the medical evidence is there.

Deputy Ciarán Cannon: I thank Senator Conway for raising this matter today. As he is aware, school transport is a significant operation, managed by Bus Éireann on the Department's behalf and covering over 82 million km annually. In the region of 113,000 children, including more than 8,000 children with special needs, are transported in approximately 4,000 vehicles on a daily basis to primary and post-primary schools throughout the country. The main objective of the school transport scheme is to support the safe transport to and from school of children who would have difficulty travelling for reasons of distance to their nearest school if transport is not supported.

Under the terms of my Department's post-primary school transport scheme, children are eligible for transport where they reside not less than 4.8 km from and are attending their nearest education centre as determined by my Department or Bus Éireann, having regard to ethos and language. Children who are not attending their nearest school may apply for school transport on a concessionary basis, subject to a number of terms and conditions which are detailed in the scheme.

The school transport charge for children who are eligible for school transport and for children who are availing of school transport on a concessionary basis remains at €350 per annum for the 2012-13 school year. This charge can be paid in two instalments in July and December. Eligible children for whom no school transport service is available may apply for the remote area grant towards the cost of making private transport arrangements. This grant is only available to children who are eligible in the first instance.

Considering what the Senator has said and the evidence he has submitted, I will ask Bus Éireann to submit a report to my school transport unit regarding the availability of services, if any, for the pupil referred to by the Senator. We will revert to the Senator as soon as that report is available.

Senator Martin Conway: That is a most satisfactory reply. My knowledge would suggest there is alternative transport to the school which is a little further away. That is a positive response and I look for the hearing from the Minister of State or his Department.

The Seanad adjourned at 7.25 p.m. until 10 a.m. on Friday, 20 July 2012.