



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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

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SEANAD ÉIREANN

Dé Máirt, 29 Eanáir 2013

Tuesday, 29 January 2013

Chuaigh an Cathaoirleach i gceannas ar 13.30 p.m.

Machnamh agus Paidir.
Reflection and Prayer.

Business of Seanad

An Cathaoirleach: I have received notice from Senator Martin Conway 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 reduce the level of contribution required from local communities under the proposed new community involvement scheme.

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

The need for the Minister for Finance to amend the property tax as it unfairly hits the commuter belt of Dublin, particularly south County Meath where property values are higher on average than almost anywhere else.

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

Order of Business

Senator Maurice Cummins: Once again this week, it is my sad duty to propose a vote of sympathy to our colleague, Senator Imelda Henry, on the death of her mother who passed away on Sunday last. I also convey my sincere sympathy to the wife and family of Detective Garda Adrian Donohoe who was so callously and brutally murdered in cold blood on Friday last. Our condolences must also go to his colleagues in the Garda Síochána who work so diligently on behalf of us all on a daily basis. I am sure it is the wish of all Members that the perpetrators of this cowardly and criminal act will be brought to justice soon. I also express my sympathy and that of the House to the family of former Senator Éamon de Buitléar. Obviously, we will hear

tributes to the former Senator at a later time.

The Order of Business is No. 1, address to Seanad Éireann by Ms Mairead McGuinness, MEP, to commence at 2.45 p.m., in accordance with the arrangements set out in a motion passed by the House on Wednesday, 23 January 2013; and No. 2, Water Services Bill 2013 - Committee and Remaining Stages, to be taken at 4.15 p.m. A revised schedule will issue later with changes to the business to be conducted in the rest of the week.

For the information of Members, it is proposed to meet at 9.30 a.m. tomorrow for the Order of Business and resume at 4 p.m., in line with similar arrangements in the other House, as a mark of respect to the late Detective Garda Adrian Donohoe whose funeral takes place tomorrow.

Senator Darragh O'Brien: I convey the sympathy of the Fianna Fáil group to Senator Imelda Henry on the passing of her mother and also to the family of former Senator Éamon de Buitléar.

I agree with the Leader wholeheartedly. This is not a day for business as usual regarding the political sparring that goes on from time to time in this House. Like all of us and all the people we know, including our families and friends, I am disgusted and horrified at what can only be described as one of the most callous murders of a young Detective Garda Adrian Donohoe, a family man and someone who spent his life not only protecting us as a member of the Garda, but who was also heavily involved in his own community in County Louth in his local GAA club and the school. The earnest wish of all of us today is that the perpetrators of this disgusting crime are brought to justice and that the full powers of the law are used against them. It is my wish that they never see the light of day again.

Senator Martin Conway: Well said.

Senator Darragh O'Brien: Unfortunately, in the past few decades in particular and since the establishment of An Garda Síochána in 1922, many men and women serving in the force have met early deaths protecting the State, be it at the hands of perpetrators who flew under an alleged flag of republicanism or criminal gangs. Our thoughts and the thoughts of the members of the Fianna Fáil group in the House, which the Leader mentioned, are firmly with Detective Garda Donohoe's family and his colleagues who I visited in the detective branch in Swords yesterday where his brother serves. His entire family has a proud tradition in the Garda. I fully agree with the scheduling of the business for tomorrow. I ask that in the coming weeks we have a reasoned debate on policing in the House, but this is not the day to talk about the ins and outs of that. On behalf of our group, I offer our deepest sympathy to his family and express our revulsion at what happened to a man who died in the service of the State.

Senator Ivana Bacik: On behalf of the Labour Party group, I join colleagues in expressing our sympathy to Senator Henry on the death of her mother and also, of course, to the family of the late former Senator, Eamon De Buitléar. Again on behalf of the Labour Party group and personally, I express absolute revulsion and disgust at the appalling murder of Detective Garda Adrian Donohoe. While much has been said about it, anyone who has read any of the circumstances of Friday night's murder will understand just how particularly vicious and brutal it was. All of us would want to send sympathy to his wife, his two very young children, his family and the community in the area. I agree with the Leader's rescheduling of business for tomorrow, which is appropriate. Fortunately, it is a rare occurrence when a garda is shot dead in the course

of duty and in the course of protecting the community. However, perhaps because it is so rare, it is very important to mark it with appropriate respect and sympathy. That is the right thing to do for tomorrow. I also agree that it is not the day for calling for the usual sorts of adversarial debates in light of what has happened. I again send sincere condolences and sympathy to detective garda Donohoe's family, friends and community. I also extend sympathy to his colleague, Detective Garda Joe Ryan who must have been deeply traumatised by his experience in witnessing Friday night's events.

Senator David Norris: I share my colleagues' sentiments and the feeling of outrage at this cold, calculated and callous murder of a decent man and outstanding member of his community, who was seen by us in the newspapers in his community and with children. He was a gentle giant and a pillar of the community. I express sympathy to his grieving wife and family. I pay tribute to An Garda Síochána and in particular to his colleague, Detective Garda Ryan, who with extraordinary courage after this terribly traumatic event turned up in the Garda station to help in the efforts to find his colleague's killers. It is a sad day for us, particularly because of this situation.

In addition, there are a number of other people bereaved, including our colleagues Senator Henry and Senator Clune whom I just saw in the dining room. I presume we will have an opportunity to pay a more extended tribute to the late former Senator Eamon De Buítléar who was such a vital and wonderful part of this House. I will also remember the late Kevin Heffernan who was a vital part of the Dublin football team. I was lucky enough to see those three titanic matches in the 1970s between Dublin and Kerry, two of which, I am very glad to say, we won.

Even at this sad time we have to represent the citizens because there is sadness not just in bereavement, but there is sadness for many people in the experience of living. I received an e-mail from a public service employee who has been really struggling to survive as follows:

I type this letter as a very worried public sector employee ... I was just about able to pay my mortgage of €822 last year and now the mortgage is gone up to €987 and in the your words [because I replied to him] this is now unsustainable. I am 38 years of age engaged to be married but not much hope of the big day happening now ... I bought the house in 2006 for €235,000 one of the cheapest at the time now only worth €135,000.

He asked the question that many people around the country are asking: "Where in God's name am I going to get the money for the property tax? I fear I am going to put out of my house." As I have said before we now have evictions, soup kitchens and children being told to jump up and down in schools. The property tax is again going back to the 19th century because people who dare to improve their houses are actually penalised, as it is not based on the value of the house at the time they bought it.

I received another e-mail from a woman stating:

I have to bring to your attention the fact that a number of secondary school students were not allowed onto the school bus this week as they did not have a ticket. They were literally left standing on the side of the road, humiliated in front of their peers [their fellow school-children] ... They are children of low and middle income working parents who simply could not afford the advance payment of €325 family ticket [or] individual child €175.

What kind of responsible society are we where we humiliate children who cannot afford it and we know that there are ever more families around the country who are put to the pin of their

collar? As I say, it is a sad day. We have bereavement, but we also have the sufferings of the living, to reflect on in this House.

Senator Jim D’Arcy: I condemn in the strongest possible terms the callous and dastardly murder of Detective Garda Adrian Donohoe outside Lordship Credit Union in Bellurgan on Friday night last. The people of Dundalk, the people of County Louth and all Irish people are outraged by this dastardly deed. Detective Garda Donohoe was a decent honourable man who was brutally murdered in the course of his duty as a member of An Garda Síochána. I knew Adrian well from my time as principal of Bellurgan national school. I vividly remember him coming in to register his child. He was a lovely man, quiet and caring. Senator Norris has said he was a gentle giant, and that he was. He came across immediately that day as having a deep love for his family. He had so much to offer and now he is gone. It is an absolute disgrace and my heart goes out to his wife and children. The Minister for Justice and Equality, Deputy Shatter, has said that no stone will be left unturned in apprehending and bringing to justice the perpetrators of this evil deed. I ask the Leader to confirm to the Minister our full support for his position in this regard.

Senator Marc MacSharry: I join others in offering sympathy to the Henry family and, obviously, the family of Detective Garda Donohoe. There will be much debate about that issue in coming days. I ask that, while I appreciate that my colleague, Senator Darragh O’Brien, has said that, given the seriousness of the crime perpetrated last week and the callous murder of Detective Garda Donohoe, this is not a day for normal business, as Senator Norris stated, we must also press on and raise the issues that are necessary to raise. As Senator Darragh O’Brien stated, a debate would be useful. There was a debate last week in the context of dealing with issues to do with the Garda. Resourcing, this crime aside, is a major issue within the Garda. While people understand that the Government must make cuts, when it comes to front-line health service and law enforcement all of us would gladly contribute more to have the knowledge of our relative security, and that is incumbent on all of us. When that debate takes place, perhaps we can begin to peel back the blindfold on some of the issues within the Garda that are being under resourced. For example, Sligo, in the north-west, has a detective unit of eight detectives and there is one car between them. Cavan has a unit with six detectives and there is no car for those six detectives. While I can appreciate when the Minister states that the crime of last week is in no way connected to resources, when there are eight detectives in Sligo and six in Cavan with but one car for those 14 Garda to do their duties, I am bound to conclude we are not providing them with the necessary resources.

I ask for an early clarification from the Minister for Finance, if he is available to come to the House - he has so often made himself available to us - to clarify what is going on in the context of the promissory note. This was announced to us as the panacea that would help deal with matters. We on this side of the House support the Government’s efforts in this regard. The Taoiseach stated that Ireland is the only country that did not have the same tools available to it in dealing with the crisis as other countries have. The people of Ireland and the Government have shown solidarity to European communion in helping to save the euro. Now it is time for them to reciprocate. There is complete confusion in this regard between Bloomberg, CNN and the various other news agencies. The people of Ireland, such as the person whom Senator Norris rightly pointed out is struggling to pay a mortgage, need to know what is in it for the Irish citizen.

Senator John Kelly: Like others, I offer my condolences to the family of Detective Garda Adrian Donohoe who was so brutally murdered at the weekend. I am from a town where a

similar assassination happened in 1980 with the deaths of two gardaí, Henry Byrne and John Morley. I know the Morley family well and know how it has affected his wife Frances and the family since. My sympathy goes to the wife and children of Detective Garda Adrian Donohoe. I also express my condolences to my colleague, Senator Imelda Henry, on the death of her mother.

I wish to raise an issue to which the people of Roscommon woke up on Sunday morning when they read the *Sunday Independent* to see the Minister for Health was able to find money to invest in two small hospitals in Wexford and Kilkenny. Having read everything on this, I have absolutely no issue with it and quite rightly both hospitals deserve the funding they require to exist. However, the people of Roscommon were in the same position. We were 37 or 38 miles away from the nearest accident and emergency department but it was decided to strip us of that department based on information from HIQA which had never visited the hospital. This calls into question the role of HIQA. I have always stated that HIQA was created by the HSE to cover for it and for the political system in order that they were not to blame. I call for a debate - with the Minister for Health and nobody else - on the way forward in the health service, smaller hospitals and accident and emergency departments. This could be done as a matter on the Adjournment. If it is good enough for the Minister to find money for a hospital in Kilkenny or Wexford it is good enough for him to do so for the people of Roscommon who are in exactly the same position.

Senator Sean D. Barrett: I join in the expressions of sympathy to Senator Henry, the de Buítléar, Heffernan and Donohoe families and the Garda Síochána which looks after us so well not only in this House but throughout the country. As we have been hearing, Detective Garda Donohoe was a man in the best traditions of service to the Garda Síochána, his community and the GAA. Yesterday Raymond McCartney, the Deputy Chairperson of the Committee for Justice in Stormont, who is a member of Sinn Féin, conveyed to the full house there calls for the fullest liaison and co-operation between the Garda and the PSNI in the wake of this appalling murder. I hope the Leader will convey our appreciation for their concern about what happened over the weekend. It is deeply ironic that the last time the two police services on the island worked together was to see off our team for the Special Olympics which was hardly 24 hours before. It is appalling that such a tragedy struck. We wish our colleagues in Stormont and in the two police forces every success in finding the people who committed such an appalling crime.

Senator Pat O'Neill: I attended very moving and beautiful ceremony last Sunday in the Mansion House, which commemorated Holocaust Memorial Day. I congratulate the committee involved in organising what was a beautiful ceremony. I also congratulate the Minister for Justice and Law Reform on the magnificent speech he gave at the ceremony. Holocaust Memorial Day was established in 2000 after the Stockholm International Forum on the Holocaust on the 55th anniversary of the liberation of Auschwitz concentration camp. Ireland has held a commemoration every year since 2003. It commemorates the 6 million Jews murdered during the Second World War and also those who were persecuted and lost their lives because of religious belief, the colour of their skin, ethnic group, sexuality or a disability. The House must remember, lest we forget. We must ensure that it never happens again.

Senator David Norris: Well said.

Senator Pat O'Neill: I wish to be associated with the votes of sympathy to the families of Senator Henry, Detective Garda Adrian Donohoe and the late former Senator Éamon de Buítléar. I presume we will have a debate on the death of Detective Garda Donohoe at a later stage.

I was going to raise a matter last December and, having listened to the radio travelling up here today, it is appropriate that I should refer to it now. In Amsterdam the mayor and city council have established what the Dutch newspapers are calling “scum villages”. This arises with regard to what is happening in Ennis. Anti-social behaviour is being replicated in every town and village in Ireland. Amsterdam and other areas in the Netherlands are moving repeat offenders out of their houses into Portakabins or ship containers. They are then moved to an area outside the town where they are supervised 24/7 by social workers and the police. They are not allowed to leave these areas until they learn to behave properly.

I am asking the Leader for a debate on sentencing. Last week we saw a high profile case on sentencing. Anti-social behaviour is a blight on every community and is terrifying decent people. We may not establish what the Dutch newspapers refer to as “scum villages”, but the only way to control these people is through their pockets. I do not know what fines are collected in this regard.

An Cathaoirleach: Is the Senator seeking a debate on the issue?

Senator Pat O’Neill: I am seeking a debate on sentencing and how we can control anti-social behaviour in this country.

Senator Trevor Ó Clochartaigh: Ba mhaith liom féin, thar cheann Ionadaithe Shinn Féin, ár gcomhbhrón a chur in iúil don tSeanadóir Imelda Henry agus dá muintir as bás a máthar, agus do chlann Éamon de Buitléar, dá bhean, Laillí, agus do chlann a chlainne. Fear mór le Gaeilge, le scannánaíocht, le cultúr agus le teanga ab ea é. Airimid uainn go mór é ach d’fhág sé oidhreacht iontach ina dhiaidh. Go ndéana Dia trócaire air.

We also support the messages of condolence to the family, friends and local community of Detective Garda Adrian Donohoe who was savagely murdered. It was a terrible murder that should never have happened. Our hearts go out to him and to everybody connected with him. We hope the perpetrators are brought to justice as soon as possible.

On a wider perspective, I am seeking a debate with the Minister for Justice and Equality on the review of court services around the country. Yesterday it came to my attention that staff in Derrynea courthouse in County Galway had been told that their administrative office was to be closed down by the end of April. I understand this is part of a rationalisation process. The courthouses concerned are at Inis Mór and An Spidéal, County Galway, as well as Derrynea in Connemara, one of only a few courts in the country in which Irish is spoken. As this is a national review, it would be good if the Minister could attend the House to explain its current status and his plans. I am afraid that there will be a scaling down of court services, particularly in rural areas, which would be a retrograde step. I am calling for that not to happen. I ask the Leader to convey these points to the Minister and request him to attend to this issue as soon as he can.

Senator Marie Moloney: I also extend my sympathy to Senator Henry and her family, as well as the family of the late former Senator Éamon de Buitléar. I also condemn the callous murder of the young detective garda, Adrian Donohoe, in the line of duty.

In Cork University Hospital and Beaumont Hospital a two-bedroom unit and four-bedroom unit, respectively, remain closed for epilepsy services. The unit in Beaumont Hospital was refurbished at a cost of €1 million but remains closed owing to the staff recruitment embargo. The consultant neurologist, Dr. Norman Delanty, is one of the country’s foremost experts in

epilepsy. He has said that he will be forced to send patients abroad for such services unless these units reopen. People who have been advised to go abroad for treatment have tried to access funding from the HSE.

2 o'clock

However, they have been told by the HSE to access services in Beaumont Hospital. It appears as though the HSE is at odds with itself and its right hand does not appear to know what its left hand is doing. Although it is telling people to access these services, they are closed. Consequently, I add my voice to that of Senator Kelly in calling for a debate in the House in which the Minister for Health should participate. Moreover, this should not be an Adjournment debate, but I ask that the Minister participate in an open debate in which Members can ask questions of him on the matter. In addition, the ban on staff recruitment should be lifted to enable the opening of these units because more than 200 patients are waiting to access the services, some of whose lives are at risk.

I wish all the best to the Special Olympics team that has gone abroad to represent Ireland in the Winter Games in the coming weeks.

Senator Paschal Mooney: I join all sides of the House in expressing deepest sympathy to the Donohoe family, to the Garda Síochána as a body of fine men and women, as well as in condemning unreservedly the callous murder of a servant of Ireland who appears to have been an absolutely wonderful human being. *Ar dheis Dé go raibh a anam.* I also wish to be associated with the expressions of sympathy to the late Mrs. Henry, Senator Henry's mother, who was a wonderful woman. *Ar dheis Dé go raibh a h-anam.* In common with Senator Norris, I came into this House on the same day as did the late former Senator de Buitléar who was nominated to the then Seanad and who made a highly distinguished contribution during his time here.

As a member of the joint policing committees, JPCs, in both my native County Leitrim and County Sligo, I attended a meeting yesterday of the Leitrim JPC at which a discussion took place on a document that has been communicated by the Minister, Deputy Shatter, seeking proposals from the various JPCs nationwide on how best the aforementioned committees can more effectively represent community interests and consultation. At some point in the near future, the Leader might consider having a debate on that particular document in the light of the proposals in the Putting People First programme of local government reform of the Minister for the Environment, Community and Local Government, Deputy Hogan, under which a revised or reconfigured JPC will be operating. It might be useful for all sides of the House to have a debate on this issue and to establish the Minister's thinking in this regard. I am unsure whether there would be a need to further discuss it further with the Minister for the Environment, Community and Local Government. I would be grateful were the Leader to respond to this.

I commend the remarks of my friend and colleague, Senator O'Neill, in respect of the commemoration of Holocaust Memorial Day. I have visited a number of the concentration camps in Germany and Poland and have seen at first hand the horrors of the Nazi killing machine. Moreover, in the company of Senator O'Neill, I recently visited the German Bundestag, at which there is a memorial to democratically elected MPs who also perished in the Holocaust. As parliamentarians, Members should remember they gave the ultimate sacrifice in the preservation and protection of democratic traditions. However, I commend Senator O'Neill for continuing what has been a proud tradition in this House of recording the Holocaust memorial weekend.

Senator Martin Conway: In common with many others, I express my sympathy to Senator Henry on the death of her mother and to the family of Detective Garda Adrian Donohoe on his brutal killing, as well as to the Deloughery family from Kilkee, County Clare into which Detective Garda Donohoe was married. A number of members of the Deloughery family are serving members of An Garda Síochána. It is a family that has contributed a lot to the protection of the State and it is horrific that a serving member of An Garda Síochána should be killed in such a brutal manner while protecting the people's money. I attended a meeting of the Clare joint policing committee yesterday which was adjourned as a mark of respect to Detective Garda Donohoe. The people of County Clare stand in solidarity with the people of Ireland, especially the people of Dundalk where Detective Garda Donohoe was a serving member. It is horrific and I encourage anyone with information to assist An Garda Síochána in tracking down those who murdered a serving member of the Garda.

Senator Labhrás Ó Murchú: I join in the expressions of sympathy to Senator Henry and to the de Buítléar family on the death of their loved ones. Ar dheis Dé go raibh a n-anam.

I also join in the expressions of sympathy and outrage that have been expressed today on the brutal murder of Detective Garda Donohoe. They are heartfelt and reflect the feelings of a stunned nation at this time. People cannot begin to understand how anyone could do what was done to Detective Garda Donohoe but it is a reminder of the vicious elements that still exist in society. At all times we must be cautious and supportive of our police force in every way possible. I listened to a television commentator last night and he stated how our police force enjoys the affection and appreciation of all the people, more than any police force in the world. One of the reasons for that, as I have said in the House on many occasions, is that we have one of the finest police forces in the world. Detective Garda Donohoe is a hero, a patriot in every sense of the word. He was putting his life on the line, as all gardaí must do, to protect our way of life, give us a sense of security and uphold the State.

Two Senators referred to Detective Garda Donohoe as a gentle giant. He was that in every sense. I did not know him personally but realised this when I read about him subsequently and heard the expressions of admiration for him. I also realised that this was a moment in the life of the nation when we had to be determined that there would be zero tolerance in regard to any activity of a violent or barbaric nature, that we should help our police force through the Legislature in any way we can. In this House there is a completely non-partisan approach to good policing; we are all working for the same aim. That is the greatest message we can give from this terrible tragedy: we are united on this issue. Ar dheis Dé go raibh a anam uasal.

Senator Lorraine Higgins: Like my colleagues, I express my sympathy to the Henry family in Sligo and to the family of Éamon de Buítléar, whom I had the pleasure of meeting on a school tour back in 1985.

Today, however, I want to bring up the unforgivable act that resulted in the loss of life Detective Garda Adrian Donohoe and the trauma inflicted on Detective Garda Joe Ryan in County Louth last week. What happened was unspeakable and I condemn it in the strongest possible terms. This cowardly act, however, has focused my attention on those working in front-line services. While we have 13,500 brave gardaí on a daily basis protecting us and serving their country in highly dangerous situations, we must remember those paramedics, prison officers, fire fighters and those working in accident and emergency departments and the Civil Defence who might not have been subjected to such a barbaric act as Detective Garda Donohoe but who too often have been victims of abuse. These people are understated national heroes who

go about their jobs every day all too familiar with the specific occupational hazards. They deserve our support and I will do all I can to protect those who are in harm's way because of their jobs. We must adopt a policy of zero tolerance for those thugs who threaten the very essence of what these people do. While all citizens are equal, we must prioritise the rights of some of these workers and send a strong message that we will stand up for those working in front-line services. On that basis, I am calling for a debate on the issue.

Senator Diarmuid Wilson: I join other Senators in sympathising with Senators Henry and Clune on the recent deaths of their mothers. I also sympathise with the de Buítléar family on the death of former Senator Éamon de Buítléar. In particular, I join my colleagues in condemning, in the strongest possible terms, the vicious and callous murder of Detective Garda Adrian Donohoe who was a native of Kilnaleck, County Cavan. Detective Garda Donohoe and his family are highly respected in the local community around the small village. On behalf of the people of County Cavan, I extend my sympathy to his wife, two small children, parents and immediate family in Kilnaleck.

The media have used words such as “assassination”, “fatally injured” and “killed”, but there is only one way to describe what took place and that is “murder most foul”. I condemn it in the strongest possible terms and commend the Leader for proposing to adjourn the House tomorrow after the Order of Business to allow those Members who are able to do so to attend Detective Garda Donohoe’s funeral in Dundalk and show our support to his family and the Garda Síochána whose members risk their lives daily to protect the rest of us. I concur with the statement by the leader of my party that today is not the day to take this debate any further. An urgent debate on policing, particularly in rural areas, is required and the issues raised by Senator MacSharry must be addressed urgently.

Senator Terry Brennan: Cónaím sa cheantar chéanna inar dúnmaráíodh cara liom féin ar an Aoine seo chaite. Fear iontach ab ea é, a chuidigh le gach duine a chónaigh in aice leis.

The murder of Detective Garda Adrian Donohoe was premeditated and planned without regard for human life. The murderers’ only interest was financial gain. I know Detective Garda Joe Ryan and knew Detective Garda Donohoe perhaps a little better. He lived about six miles from my home and I had several conversations with him during the years. This morning I visited his football club on my way to sign a book of condolences to his family. The local community is devastated at having lost a great young man. Detective Garda Donohoe was a true garda and everyone recognises the part he played in the community. He won a county championship medal with Naomh Pádraig in 2003 and after his football days were over, he gave of his time after work to benefit young people at Scoil Náisiúnta Bellurgan, where my colleague, Senator Jim D’Arcy, taught for some time.

The murderers of Detective Garda Donohoe must be caught and brought to justice. They must spend the rest of their days in prison. A sentence of 40 years should not be reduced to 30 or 25 years. The Garda and PSNI will work together. A member of my family suffered at the hands of the same thugs from south Armagh when his Jeep, including equipment he needs for work, was stolen. On Friday night, as soon as I mentioned the murder of the detective garda, he told me the thugs who had carried it out were living in south Armagh. I know gentlemen from the same part of the country but the individuals in question live in south Armagh and their only interest is in robbery and thuggery. As I stated, they robbed from my family. Ar dheis Dé go raibh a anam uasal.

Senator Jimmy Harte: Like my colleagues, I extend my sympathy to the Henry, de Buitléar and Donohoe families on the immeasurable grief they are going through this week.

The Donohoe family will have a person missing from the Christmas table and the children will not have a Dad at their birthday parties or for Christmas morning. Everyone in the country must be feeling as I feel about his death. It is something that should not happen again. I agree with Senator Terry Brennan's comments. I know the role the Garda has played in protecting the State since 1922. I had the personal experience as a young teenager of having gardaí protect our home against people who called themselves republicans and who were stoning our property. The gardaí had to stand and take the full force of their actions. They did it with pride and dignity, as did Detective Donohoe on Friday night. He died for his country. May he rest in peace.

Senator Michael Mullins: I extend my sympathy to our colleague, Senator Imelda Henry, on the passing of her dear mother, and to the family of the late former Senator Éamon de Buitléar.

There is an eerie silence around Leinster House today and throughout Ireland. I extend my sympathy to the family of the deceased Detective Garda Adrian Donohoe. The hearts of the nation go out to the family today. This was not an accidental or panicked shooting. It was premeditated. That makes it more callous and chilling. There are people on both sides of the Border who know who were involved in this and I call on any right-thinking people who have any information to assist the Garda and the PSNI in bringing the perpetrators of this heinous crime to justice. I welcome the fact that the Garda and PSNI appear to be working in very close co-operation to bring about the arrest of those people as a matter of urgency. As Senator Brennan said, those people must serve the full 40 years for this crime.

All of us, as well as the security and democracy of this state, depend on the Garda Síochána being able to go about its business in a safe manner. We must applaud the courage and bravery of Detective Garda Joe Ryan who returned to work yesterday. The man had to be severely traumatised after losing his colleague, but he came to work to assist the Garda with its investigations. That showed true courage and bravery. I agree with colleagues that in the fullness of time we must have a debate on security in the State and ensure that the Garda is fully resourced at all times to do the job we expect it to do. Today, however, we share in the grief of the Donohoe family and we hope this will never be visited on another family in this country again.

Senator Aideen Hayden: I also express my sympathy to the family of our colleague, Senator Imelda Henry, and to the family of a former colleague, the late Éamon de Buitléar. Like other speakers, I express my horror at the death of Detective Garda Adrian Donohoe.

It is important to remember that there are areas of this country, particularly of this city, where people walk around with impunity and where human life appears to have no value. There is not a day in the week when the gardaí do not enter no-go areas; it is a miracle, therefore, that there have been so few fatalities in the Garda Síochána. I agree with colleagues who say we need a wider debate on this subject. It is shocking to think there are criminals - drug dealers and other forms of low life - who seem to have no difficulty whatsoever accessing firearms. We need to come back to this issue.

On a more positive note, I would like to mention the work of the Constitutional Convention last weekend and the very interesting outcomes relating to the term of the Presidency and the lowering of the voting age. The consensus among those who favoured the lowering of the

voting age was to lower it to 16 years of age. There were some very interesting outcomes from the Constitutional Convention last weekend. Towards the end of the life of the Constitutional Convention towards the end of the year, it is its intention to discuss some wider issues around constitutional reform. I have long campaigned for the right to a home, for example. Will the Leader invite the chair of the Constitutional Convention, Mr. Tom Arnold, to the House and ask Members for their thoughts on the wider issues of constitutional reform which could be considered?

Senator David Norris: Some 96% voted in favour of allowing the people to participate in the nomination process.

Senator Paul Coghlan: I sympathise with our colleague, Senator Imelda Henry, on the death of her mother, and with her father, Peter, who is well known to us. I also sympathise with the families of the late former Senator Éamon de Buitléar and the late Kevin Heffernan.

Of course, I join colleagues in totally condemning the brutal murder of Garda Adrian Donohoe. We now know that these men were trapped in a car park and that Garda Donohoe was blasted out of it. He was slain in cold blood without any opportunity whatsoever to defend himself. Sadly, this area used to be referred to as “bandit country”, but I am afraid some of the banditry is lingering on. I know the Garda and the PSNI co-operate wonderfully together, but in south Armagh and north Louth, consideration should be given to a corridor where both forces can operate together, and we should do whatever we need to do in legislation to enable it. We know, for instance, that if our forensic team had been able to gain access to the burned out car in Keady, it would have speeded things up and we would not have had the delay. That type of wonderful co-operation should be provided for. I am happy to leave it at that because, as Senator Darragh O’Brien said, today is not the day for normal business.

Senator Catherine Noone: Like my colleagues, I extend my sympathy to the Henry and the de Buitléar families on their bereavements. I would also like to comment on the senseless death of Detective Garda Donohoe. It makes no sense to any of us how a gang, no matter how heinous, would target a situation that was actually armed. That sort of occurrence is extremely unusual and that fact must be brought to bear when these men are brought to justice. It makes absolutely no sense whatsoever that they would knowingly enter into a situation in which they would have been dealing with members of the Garda Síochána. Like others speakers, in particular Senator Brennan, I would welcome co-operation between the Garda and the PSNI and would appeal to the public, especially in the area where this occurred, to provide any information, no matter how insignificant it may appear, to the Garda to bolster its efforts to bring these men to justice as soon as possible. I agree with previous speakers that today is not the day for the debate but it raises the point that these people, who are at the front line on a daily basis protecting the citizens of this country and all aspects of our lives, including the financial aspect, which unfortunately was the case here, should be given the resources they require.

I also commend the work of the Dublin joint policing committee, which I attend. It is not until one actually has regular interaction with the gardaí that one sees how responsive they are and how they take on board the suggestions made by various interested parties - politicians and others - to contribute to the overall security of the country.

I also support the comments of Senator Hayden on the Constitutional Convention. I was very pleasantly surprised by the interactions and debate that occurred at the convention. It is a work in progress and this has never been done before. It is very novel and I was quite hesitant

before attending and thought that it may not have the teeth we might like it to have. Certainly all areas of society are represented in the convention and very good proposals will come from it. I hope the Government will listen to those proposals when the time comes. Senator Hayden's suggestion that we invite the chairman, Mr. Tom Arnold, to the House in order that we can contribute to the convention is a very good one.

An Cathaoirleach: Before I call the Leader, I would like to be associated with the expressions of sympathy to our colleague, Senator Imelda Henry, on the death of her mother and to the family of the former Member of this House, Éamon de Buitléar, who died recently. I also extend my sympathy to the wife and family of Garda Adrian Donohoe, the Commissioner of the Garda Síochána, Mr. Callanan, and all members of the force on the tragic loss of Mr. Donohoe.

Senator Maurice Cummins: The Order of Business has been dominated, rightly, by votes of sympathy, particularly to the family of the late Detective Garda Adrian Donohoe. Members are, rightly, expressing their sympathy, outrage and horror at his murder. They have spoken from the heart, especially Senators Terry Brennan and Jim D'Arcy, who actually knew Adrian Donohoe and his children personally. This incident reminds us of the work gardaí do on a daily basis in the protection of citizens and the institutions of the State. We all commend the wonderful co-operation between the Garda Síochána and the PSNI and I am sure all Members will join me in calling on anyone who has any information, however small, to give it to the Garda or the PSNI in order to bring the perpetrators to justice, which is what everyone wants.

A number of other items were raised on the Order of Business. I note the points made by Senator David Norris on a public servant who has mortgage difficulties. Certainly, the humiliation of children, as described by the Senator, is totally unacceptable.

Senator Marc MacSharry raised the matter of the promissory notes, on which negotiations are continuing. It is hoped they will be concluded by the end of March. That is the position of the Government and we hope to have a positive response before the end of March.

Senator John Kelly referred to Roscommon County Hospital and mentioned that he would raise the issue on the Adjournment.

Senator Pat O'Neill lauded the organisers of the Holocaust memorial service held recently. He also spoke about far-reaching proposals relating to repeat offenders and anti-social behaviour. We will be having a debate on law and order, sentencing and so forth and can discuss the matters matters at that time.

Senator Marie Moloney referred to the lack of recruitment of staff to deal with epilepsy patients at Beaumont Hospital. This is a matter we should discuss with the Ministers for Public Expenditure and Reform and Health to ensure the unit is opened.

Senator Paschal Mooney mentioned the joint policing committees review. That issue can be discussed in our debate on law and order and sentencing policy.

A number of Senators referred to the Constitutional Convention which is a work in progress. Recommendations will be discussed in the House at the appropriate time. I will ensure that will happen.

Order of Business agreed to.

Sitting suspended at 2.30 p.m. and resumed at 2.45 p.m.

Address to Seanad Éireann by Ms Mairead McGuinness, MEP

An Cathaoirleach: I welcome Ms Mairead McGuinness, MEP, to Seanad Éireann. It is her first time to address the House, unlike other MEPs who are former Senators or addressed the House as Ministers or Ministers of State. She is very welcome.

Ms Mairead McGuinness: I thank the Cathaoirleach for the welcome and the invitation to come before the House. As we were called to speak to the Seanad in 2005, I am not quite a novice, but perhaps the L plates are still there. In my presentation I propose to deal with those areas in which I specialise. A very positive aspect of the European Parliament is that it gives members an opportunity to work on committees in areas in which they have specialist knowledge. The areas on which I work and which I examine are agriculture, rural development, environment, food safety and public health.

The title of my paper is, Food for Thought - Ireland and the EU 40 years on. In recent weeks and months we have had much food for thought and perhaps we will debate this later. I certainly want to allude to it in my presentation. If I have time, I will mention the medical devices directive because I have been appointed the shadow rapporteur for the EPP group on this important legislation which has huge implications for improving patient safety and the industry. As Ireland has a large medical devices industry, the Seanad will be interested.

The European Union has gone through many difficult phases, perhaps none more so than the current one, and the House has debated many of the issues. Despite all of the negativity about the European Union and whether it had the ability to pull itself back from the brink, we have managed to calm the situation. I ask people to reflect back to a year ago when there was a huge sense of unease, uncertainty and fear in the population and in politics generally about the ongoing crisis. In as far as we have stabilised the situation, we have calmed the mindset in the European Union, notwithstanding people are still unemployed, including far too many young people. There are also debt burdens and a dimming of the sense of hope we are trying to restore. Things can and will get better, not because we want them to or because we are willing them to improve but because we are taking action to make things better.

The European Union works slowly and in a complex way and markets and media have quite the opposite demands. There is therefore a mismatch between the expectations of what the European Union should be doing and the pace at which the European Union can work because of its institutional organisation and the need to engage. Those in politics need to understand there is a tendency to give a knee-jerk response and get a reaction in the public space, but sometimes we need to be more reflective and hold back on responses to situations because our initial reaction is not always the best or the most long-lasting. I compliment Herman Van Rompuy who as President of the Council is always worth listening to for the very reason that he does not give a headline. He gives depth and commentary which will stand the test of time. This is a good mark of the man given the job he does.

I am glad to say those who predicted the demise of the European Union and certainly the demise of the single currency are less vocal today. We went through a time in the Parliament when it was extremely tense and difficult with unusual fighting matches across the Chamber. That has certainly eased somewhat, although the difficulties have not gone away and more

needs to be done.

I will deal with the farming and food industries. As I am conscious of time, I may abbreviate my remarks, but I will leave my script for Members to consult.

When one looks at Irish agriculture one must take into account how it has evolved in the last 40 years of EU membership. In 1973 agriculture accounted for 18% of GDP, while today it is around 2%. The agri-food sector accounted for 40% of our exports while today it is around 7%. It is, however, much more important than that figure suggests because there is a low import content and there is also less repatriation of profits. It is an important sector which I think this House recognises.

In 1973 the farm workforce was approximately 263,000 or 25% of the total workforce. Today it is significantly less at around 85,000 people or 5% of the workforce. It is enlightening to look back at the evolution of the policy. We joined the EEC and farmers welcomed it because it gave them guaranteed higher prices for their produce than they have been getting before membership.

In 1957 the objectives of the Common Agricultural Policy spoke about things that we are still trying to achieve such as increasing agricultural productivity by promoting technical progress, ensuring the rational development of agricultural production, optimum use of resources, ensuring a fair standard of living for the agricultural community, stabilising markets, assuring availability of supplies, and ensuring that supplies reach consumers at reasonable prices. Those objectives were set out in 1957 and they are still as relevant today as they were when first drafted. Farmers responded to these guaranteed higher prices in the 1970s: milk production increased and so did beef and grain. Those with memories, however, will recall that things went too far and in 1984 we had milk quotas. We also had other restrictions because the European agricultural budget situation was going out of control.

In 1992 we had the MacSharry reforms which were a significant departure - moving away from price and market supports to a lower price regime and the introduction of direct payments by way of area aid and livestock payments. We also had Agenda 2000 and the mid-term review of 2003. I mention the latter, in particular, because it was hugely significant. It heralded the introduction of the current single farm payment system. It introduced a concept of cross-compliance which links the payments farmers receive to meeting environmental, food safety, animal and plant health, animal welfare standards, and a requirement to keep land in good agricultural and environmental condition. It also saw the introduction of the rural development policy being strengthened to give farmers assistance with environmental and quality assurance schemes, and animal welfare standards. Ireland opted for full decoupling of payments. On 1 January 2005, therefore, there was no longer a requirement to have an animal to get a payment. There was resistance to it initially but the system came in. Farmers did have to meet these statutory management requirements and there were many inspections around this issue. However, full decoupling came and farmers have learned to live with it.

In 2008 we had the health check which confirmed that milk quotas would be abolished in 2015. Given that they have been in place since the early 1980s, it is a significant policy departure and it also deepened the decoupling process for other member states that have not gone the way we had. We are now in a current round of reforms and last week the European Parliament's agriculture committee exercised its first major vote under co-decision on agriculture policy. As we managed to distill some 8,000 amendments to around 25 or 30, it was a major piece of work.

More importantly, we managed to get support for the compromise amendments.

For the first time, the European Parliament has the same power as the Council on agriculture policy and has, therefore, brought more openness and democracy to the process. However, it has also brought a layer of complexity which requires MEPs to table amendments and then try to reach compromises within and between groups. While the experience so far has not been easy - I was one of the lead negotiators - it can work.

3 o'clock

We delivered a vote last week, which will go before the full plenary of Parliament in March.

Allied with the vote we will take in March on our position on Common Agricultural Policy, CAP, reform - I will refer to some of the details shortly - I hope we also will vote on the European Union's budget for the period from 2014 to 2020. This is hugely significant because without figures, we will not be able to sign off on the actual detail of the reforms. As Members are aware, there was an attempt to agree the figures late last year between the Heads of State and Government. Unfortunately, that failed and will meet again in early February. The fact the meeting has been called is a positive sign. My optimistic side would consider the possibility that the Heads of State and Government can agree figures that are reasonable. While Members are aware there is an attempt to cut €75 billion from the Commission's proposal, it might be possible to reach some sort of compromise on this. Thereafter, it would be a question of whether the Parliament could be persuaded that this was an adequate budget, because Members should remember the Parliament can reject or accept a budget but cannot amend it. However, it is an interesting political dynamic, in that the Parliament will look twice the figures and it cannot be taken for granted that it would simply assent to whatever was on the table. In the event that the Parliament does agree and the vote on the budget goes through and if we can vote through our agriculture compromises in plenary session - some difficult issues will arise in the plenary vote - thereafter we will be free to open discussions with the Council. As with all deals, it will be that the Commission, the Council and the members of our negotiating team, of which I will be one, will sit down and will try to thrash out an agreement at an overarching level for the European Union that maintains a Common Agricultural Policy and that fits and gives flexibility to member states which have different issues.

I regret there has been very little debate about the new aspects of the policy but perhaps this House could take up some of these points. The idea is framed that we want a greener and fairer Common Agricultural Policy and one concept that is talked about is to use public money for public goods. To put it at its simplest, the view is that in agriculture, farmers sell their produce but do not receive sufficient reward from the marketplace to value in the public goods dimension, that is, their welfare standards, environmental contributions and management of the landscape. Consequently, the thrust of policy is to suggest that increasingly, money will be available to support farmers dedicated towards the delivery of public goods. In my contributions, I always have stated that food also is a public good and one cannot divorce one from the other and therefore, a link must be kept. However, the proposal is that 30% of direct payments to farmers would be directly linked to delivering more environmental measures such as crop diversification, permanent pasture and provision of ecological focus areas. Those Members who are familiar with farming would regard those as being the bit in the field one did not farm because it was left for nature. However, under these proposals we would be obliged to plan some of these back into the system. I acknowledge there is a great deal of controversy around this proposal. Some of these issues, particularly the 30% issue, will be decided by the Heads of

State and Government because it is part of the multiannual financial framework, MFF, discussion. As Members are aware, there are member states within the Council, that seek to cut the payments and there are others which seek to have agriculture contribute more in respect of both greening and climate actions. Consequently, there is a big push in that direction. I spoke at the Oxford farming conference earlier this month and made the point that I understood the focus on the payments because in 2011, which was a relatively good year, more than 73% of farm incomes came from the single farm payment. Consequently, Members can discern the reason this is so important to farmers who are out in the fields - one could not be out in the fields today because it is so wet, which will have an impact on farm incomes - and who rely so much on this payment. However, a deeper debate is needed on the direction of the policy. While we have tried to do this in the European Parliament, national parliaments and Members of this House could help us in that regard.

I mentioned the reliance on the single farm payment. This is something about which I have a concern because we regard agriculture as being the backbone of our recovery and it can and will be that. Moreover, we have a good reputation for food. However, that industry is being built on a sector that is heavily reliant on a Common Agricultural Policy.

That is why we are fighting hard on the budget side and on the orientation of the policy. We must not do anything to suddenly pull the rug from under farmers. We must ensure those who are producing continue to receive support to do that, particularly where we have increased market volatility. If we look at dairy produce or any of the other commodity areas, we see greater market volatility, which is very difficult for farmers to deal with on a daily basis.

Some of the income points revealed by Teagasc for last year are worth looking at. Average farm income was down 12%. Year on year, farmers can suffer swings in their incomes. In the good year of 2011, an average family farm income was €24,462. I know dairy farmers' incomes are higher but many of our farmers are in dry stock and suckling so average incomes in agriculture are low. There is the same story across the rest of the European Union. In general, farm incomes are about 50% of the average of the rest of the population. The line we should push is that we eat on the back of low income farming.

That brings me to another part of the debate at European Union level and within member states. If there is less support for farming through the public purse and a drive for budgetary austerity in the European Union, what is happening to the food market? I have been involved in an initiative on this in the European Parliament, and since 2010, the Commission has been investigating the food supply chain. The fact the Commission set up a round table of all the stakeholders and major players, such as distributors, manufacturers and retailers, meant that something was wrong. The Commission now accepts there is a problem in the food supply chain, that it does not function as it should and needs greater scrutiny. That is the case in my opinion. To some extent we had a crisis in the banking sector because people thought the banks were regulated and everything was fine. It was only after the crisis that we realised the sector was poorly regulated and needed further scrutiny. The food chain is much more vulnerable. Food is essential for us all and good food is particularly important for our children.

We have a situation, however, where there are a large number of producers, smaller numbers along the supply chain and then a major concentration of power at the retail end. Shoppers have very little idea when they buy a product of where it comes from, although that is a separate issue, and what the price was along the line. There is a greater need for transparency along the food supply chain.

There is also some difficult and sharp practice in the chain. It is interesting that the Commission, with the stakeholders, drew up a list of areas that were wrong and needed to be corrected. As a result of that process, an agreement for a voluntary code of practice has been drawn up. It is a gentleman's agreement, although that makes me smile because there must be gentlemen at the table for such an agreement. Let us be clear, however, about what it means. I was at the last meeting of the stakeholder forum and it was interesting that all those involved in the process want a voluntary agreement because there is a threat of legislation at EU level on the relationships along the supply chain. It is recognised that such legislation would be extraordinarily difficult but there is the threat. Later this week the Commission will adopt a Green Paper on unfair trading practices in the entire retail supply chain. I would prefer it to deal with food separately, but it has decided to look at all of the supply chain.

It is interesting that the only groups that would not sign up to the voluntary code were the farming organisations which wanted a legislative process. I bring this to the attention of the House because there has been discussion in all member states about the imbalance of power. In the United Kingdom an adjudicator has been appointed and she has the power to investigate practices in the supply chain and it will be possible to complain anonymously. Britain is not the only member state where this is happening. I have dealt with other member states where this is being done because of the concentration of power. Producers constantly argue that they receive very little of the price we pay for food, which is not to say food prices should rise. We need to recognise, however, the way in which food prices are determined if we are to decide whether the process is fair and equitable. Senators should be interested in this issue and I believe they are.

A question arises in this regard for those who are interested in competition law. When we have moments to spare, some other Members of the European Parliament and I discuss whether competition law, as it applies, works to the betterment of food consumers or whether it should be examined more forensically. If the objective of competition law is simply to deliver cheap food, what are the consequences of this approach further back in the food chain? We saw the consequences of this approach in a recent case which indicated that it may not be such a good idea.

I want to move to the issue that has dominated the conversation of those who are involved in the food and agriculture sector, namely, the finding of horse DNA in burgers. I am aware that the matter was widely discussed and debated in the House. I compliment the Minister for Agriculture, Food and the Marine, Deputy Simon Coveney, on obtaining and, with the Food Safety Authority of Ireland, FSAI, forensically revealing the details of the case. Ireland has led the way on this issue. For example, the FSAI is the only food safety authority in Europe that uses DNA testing for authenticity. We have shown great leadership on this issue and have been very open with the relevant information. The issue of authenticity of food is much higher up on the agenda as a result of the work done in this country.

Many Senators will understand the traceability systems we have in place. For example, farmers here participate in a process involving birth certificates, ear tags and registrations. There is a sense, therefore, that people felt let down by the circumstances of the most recent case involving horse DNA in burgers. We have also grown more aware of the complexity of the food supply chain. I am tempted to try to quote Professor Patrick Wall who is a rock of sense on these issues. He observed that food manufacturers must trust carefully all of their suppliers and if they are unable to fully trust their suppliers, they should not use their products.

I wrote to the Commission on this issue and have no doubt from the response I received this morning that the recent case involved a breach of EU labelling laws. If a non-beef product is in a beef burger, this should be stated on the label. This is extremely important, especially as regards other animal species. Animal species and the preparations used must be stated on all minced beef products. If horsemeat or another ingredient is in minced beef, this should be identified on the label.

The relevant legislation is being strengthened. From December 2014, a regulation on the provision of food information to consumers will require, in the case of meat products or meat preparations containing added protein, including hydrolysed proteins of different animal origin, that the name of the food will bear an indication of the presence of such proteins and their origin. Accordingly, a beef burger containing horse protein would have to be designated under the name “beef burger with horse protein”.

While the idea of labelling is crucial, a label will stick on anything and anything can be put on a label.

An Cathaoirleach: Ms McGuinness is going over time.

Ms Mairead McGuinness: I will conclude. What we need to do is check and recheck for accuracy. The Food Safety Authority of Ireland should be complimented on the work it did in recent weeks.

Senator Paschal Mooney: I welcome Ms McGuinness to the House and thank her for her comprehensive presentation. I also applaud her for her continuing contribution and wearing the green jersey in the European Parliament, particularly in her area of expertise. I will raise a couple of issues she may wish to address. In the last day or two her colleague, Pat the Cope Gallagher, MEP, has criticised what he believes will be a massive reduction in EU Structural Funds. He reports that 43.5% or almost €200 million will be taken out of the Structural Funds between 2014 and 2020. He has asked that a special provisional allocation of up to €345 million go towards the Border, midlands and western, BMW, region. He makes the point that the criteria used are flawed and outdated due to the figures being used by the Commission with regard to wealth. The reference years used predate the devastating economic crisis and rising unemployment levels across Ireland and particularly in the BMW region. The unemployment rate now stands at 16.5% across the region, which is 20% below the EU target set under the Europe 2020 strategy for growth. Perhaps Ms McGuinness might comment on this.

There is also the question of payments. The IFA takes the view that any redistribution of payments must not undermine the viability of family farms and must be on the basis of objective criteria. As Ms McGuinness is aware, there is an ongoing debate in this country about what are termed “active farmers”. Will she outline what she believes to be the definition of active farmers? Like my friend and colleague, Senator Comiskey, I come from a severely disadvantaged area where there are primarily stock farmers and hardly any form of tillage. About 99% of the land in County Leitrim is marginal and does not grow anything much other than trees, which I understand are supposed to be a key area of growth but that has brought its own legacy. I am curious to establish this. On the one hand, there is a view that the proposals on the direct payments will benefit approximately 75% of farmers across the country, in areas where there are both tillage and dairy farmers, yet, on the other, there appears to be some resistance to this on the basis that there will be a continuation of direct payments to corporate bodies and the very rich and that this could somehow undermine the continuing viability of the family farm. Where

I come from farming is part-time to a large extent. People try to get extra off-farm income. However, the money they receive directly from Europe goes into the local towns and villages and the local economy. Any disruption or significant reduction of that will have a knock-on effect on the local economy. I am curious to hear Ms McGuinness's views on the issue of payments.

There is also the rural development programme and greening. There appears to be controversy about the greening proposals. Members of the agriculture committee visited Germany a few weeks ago and I was interested to find that the Germans are very concerned about the greening measures also. It was salutary to discover that they were also concerned for what they termed their disadvantaged areas. I understood that all of Germany had lush, fertile land, but that is not strictly the case. We might be able to engage in common cause with them in that regard. We secured funding of €350 million under the rural development programme. Again, there is concern that this could be reduced. Will Ms McGuinness comment on this? There is also discussion about capping the payments due to the large sums of money some individuals have been getting.

Senator Michael Comiskey: I welcome Ms Mairead McGuinness to the House. We are delighted to have her here for this discussion on "Food for Thought - Ireland and the EU 40 years on". As she is aware, prior to its accession to the European Union Ireland had a predominantly agriculture based economy, and society was heavily dependent on agriculture. We were mainly dependent on the UK market and struggling to shake off the effects of years of protectionist policies. While Irish products were readily accepted on the UK market, the advantage was limited. British policy at the time was to allow the entry of overseas agricultural products but at low prices. That left little profit for the Irish producer and it constrained wages and development within the sector. The 1960s saw a move away from this policy and with British accession to the EEC likely at that time, participation by Ireland was very attractive. Irish EEC membership provided access to the Common Market and the Common Agricultural Policy offered security and provided pricing levels for goods fixed at the higher rates than previously available to the Irish producer. Membership of the Common Market and, subsequently, the Single Market transformed the Irish agricultural sector and food production across the Continent. The Single Market created access to a market of 500 million people for Irish goods by removing administrative burdens for Irish food exporters.

The Common Agricultural Policy introduced a means of securing food production in Europe while alleviating the pressures on the farming community and farm incomes. The direct payment schemes allowed many to remain on the land at a time when emigration and urbanisation were becoming the norm. The CAP coupled a system of direct payment with rules governing rural development policy aimed at improving the environment and the countryside and improving the quality of life in rural areas while encouraging diversification of the rural economy. Rural development measures have been instrumental in creating employment, promoting tourism and maintaining national identity in rural areas.

Ireland has been the recipient of €10 billion in funding under the Regional Development Fund and the Cohesion Fund since 1973. The original aim of the CAP was to make Europe self-sufficient in food but soon this aim was surpassed, creating the challenges of over-production and necessitating changes in the structure of the CAP. Reform was necessary and payments were unhooked from production. Emphasis was placed on protection of the environment, the quality and safety of our food and the welfare of our animals. Laws regulating the production of food and food safety date back to ancient times, but there is now a body of legislation regulat-

ing food labelling, additive use, organic food and genetically modified production.

The BSE crisis in the 1990s pushed food safety to the top of the European agenda. The European Union had to become more willing to safeguard human health and assist the industry in making a recovery. As a consequence, notification procedures were introduced and prescribed hygiene practices became standardised across Europe. Today there are continued advances in the methods of production within the agrisector with the emergence of new technologies. The evaluation and the testing of these new technologies to assess food safety can be onerous and expensive, in particular on farming people, which was mentioned by Ms McGuinness. From the time the animal is born on the farm, farmers are very careful about tagging and traceability, and rightly so, but it creates a lot of costs. However, by using the combined resources of the European Union, member states will be better able to respond to these new technologies. By acting as a whole, the European Union can protect public health, prevent unfair practices and ease consumer concerns.

Greater EU food safety standards have contributed to the improvement of the health and well-being of European citizens. Almost 75% of active pesticides have been removed from the EU market. An EU integrated approach to food safety is also the most effective means of making animal health a prerequisite for safe food. The European Union has introduced laws on the trading of live animals and animal products which, over 20 years, have eradicated many serious diseases.

Globalisation will contribute to assisting the spread of many diseases, but through co-operation and uniform action among member states, the European Union will be better able to respond. The Union is already the biggest global exporter of food and feed, amounting to €65 billion in 2010, but with global concerns regarding food security and food prices rising, there is an opportunity for agricultural producers and processors.

Growing levels of obesity may require a shift in focus from food safety to the nutritional value of food. However, what is clear is that these new challenges, as with previous challenges, are best dealt with through the development of a uniform and co-operative legislative programme. In doing so, the European Union will be best placed to create a sustainable, export-driven agrifood sector in the next 40 years and beyond. I thank Ms McGuinness for being with us today.

Senator Ivana Bacik: I welcome Ms Mairead McGuinness to the Chamber for this, our second address from a Member of the European Parliament. We are really glad to have this opportunity to engage with her and we found last week's engagement with Mr. Gay Mitchell, MEP, very useful. Some of what Ms McGuinness said struck a chord in terms of the procedure of passing legislation at European Parliament level, which is not understood or debated enough in the domestic sphere. She mentioned, for example, 8,000 amendments before the agriculture committee, which puts into perspective some of the differences between the European Parliament and national parliaments.

I pay tribute to the great work Ms McGuinness has been doing on agriculture and must point out that this is my first or maiden agriculture speech. I did grow up in a farming community in rural Cork, but I am not my party's agriculture spokesperson. Senator Susan O'Keeffe is our agriculture spokesperson, but, unfortunately, she cannot be here today. She sends her apologies but has, it must be said, briefed me very thoroughly on some of the issues involved, many of which were raised by Ms McGuinness. The first and obvious one was referred to by Ms

McGuinness, namely, the beefburger and horsemeat DNA issue. Ms McGuinness mentioned that she wrote to the European Commissioner for Health and Consumer Policy, which was a very important initiative on her part. Among the requests she made was that he would investigate whether the findings might indicate an EU-wide problem, not just one that is confined to Ireland. I agree that the Minister for Agriculture, Food and the Marine, Deputy Coveney, has handled the situation very well and that the potential damage to or fallout for our agrifood sector has been minimised by the Government's response. I would like to know how confident Ms McGuinness is that an investigation can be instigated at EU level and that measures can be taken by the European Union to address this difficulty.

On a related point, Ms McGuinness spoke very eloquently on the authenticity of food and the issue of food labelling. I was struck by something Professor Alan Reilly, the head of the Food Safety Authority of Ireland, said last year in this context. While he welcomed the EU extension of mandatory country-of-origin labelling, he pointed out that it did not address the issue of processed foods, where ingredients were sourced from many countries. Neither does it address a real bugbear of mine - as a shopper and a mother who is trying to find decent, healthy food that my children will eat - which is that labels like "natural", "local", "artisan", "freshly-squeezed", "hand-made" do not have any legal definition or authority. This also frustrates me as a lawyer. Will Ms McGuinness indicate whether there is a timeframe for the introduction of better labelling? Is it possible to regulate to that extent or would that represent too much of a nanny EU state? Consumers need more information and the current labelling regime is very frustrating.

Ms McGuinness also referred to the Common Agricultural Policy, a huge issue about which she spoke very comprehensively. How confident is she that fairness will prevail in the renegotiation of the CAP, especially in the context of the negotiations being steered towards the more productive or bigger farmers? Ms McGuinness spoke about the low average income of farmers but clearly, within that, there are a number of bigger farmers who are able to invest more, rent more land and so forth. Will such farmers be favoured under the renegotiated CAP? How confident can we be in Ireland that our farming will not be sacrificed to the emphasis on productivity?

A point which is very close to my own heart and about which Ms McGuinness is also very passionate is the greening of the CAP. Is the European Union at risk of getting the greening aspect wrong? Is the balance right and are Irish farmers embracing the notion of greening sufficiently? Ms McGuinness also touched on the issue of animal welfare, about which I feel very strongly. I wonder if farmers are placing enough emphasis on animal welfare because it is something about which consumers are also becoming increasingly concerned. It is in the interests of the sector as a whole that it is much more cognisant of animal welfare issues and green issues generally.

Ms McGuinness spoke about rural development and made specific reference to the Oxford farming conference. At that conference she said that across the European Union, particularly in remote parts, there are genuine fears about land abandonment, village decline and a decline in the numbers of young people. That is something we hoped we had left behind in Ireland but we are seeing it reappear in debates about rural communities here. Is there a divide between urban and rural communities on this issue? Is that visible at EU level and are there steps we can take to address it?

The final point I wish to make is about public health which relates to the issues of beef,

burgers and food labelling. Ms McGuinness may be aware that last year we held public consultation hearings in the Seanad. Senator Susan O’Keeffe was prominent in organising the hearing on cancer and, in particular, the influence of lifestyle on cancer prevention, in respect of which there is now growing awareness among the medical profession and people generally. There are so many common cancers which evidence shows can be prevented by substantial lifestyle change. Is this a matter that can be dealt with at EU level? Consideration is being given by the Seanad to how best we can reform our domestic policy on this and what health promotion measures can be adopted to address the issue. Should this be left to individual Governments or is it better also seen as an issue for address at EU level? I am interested in hearing what is being done in this regard. A particular finding of the World Health Organization links diesel engine fumes with cancer, which again is an issue that might better be tackled at EU level.

As Ms McGuinness mentioned the gentlemen’s agreement, I cannot resist asking about gender balance in the European Parliament. The sense is that gender balance at EU level is better than it is in the Oireachtas, where only 15% of Members of the Dáil and 30% of Members of the Seanad are women. The gender balance in the Seanad is better. Also, there is a good gender balance among our MEPs. I know that 100% of our Labour MEPs are women, which is particularly strong. I am aware of a recent initiative in the European Parliament to increase the number of women on boards of public companies. I apologise for the number of questions with which I have bombarded Ms McGuinness. However, I am particularly interested in hearing about the next step in this regard and what further steps are proposed.

I again thank Ms McGuinness for her fascinating address. I am delighted finally to have an opportunity to speak on agriculture. I might take over from Senator O’Keeffe after this.

Senator Marie-Louise O’Donnell: I welcome Ms Mairead McGuinness to the House. I am delighted we are represented so brilliantly in Europe by a female Fine Gael member. My question may be an innocent one to which Ms McGuinness may have a general answer. Ms McGuinness stated that in 1973, 263,000 people were working on farms or in the farming industry and that this reduced to 85,000 in 2012 and in the same breath used the word “progress”. In what way is it good that fewer people are working on the land? Should we not be encouraging more people to work on the land? Without nature, we are going nowhere. We certainly cannot be depending on the banks or insurance companies. I recommend that Senators read the recently published book, entitled *What Has Nature Ever Done For Us?*, by Mr. Tony Juniper, which is interesting. The chain of how we live is dependent on nature. I am interested in hearing Ms McGuinness’s response on how she can use the word “progress” in relation to a massive decline from working on the land, which is highly contradictory.

Senator Feargal Quinn: I welcome Ms Mairead McGuinness to the House and, in particular, the words used by her in her address. I welcome also that she is responsible for the food and agriculture area. We greatly appreciate her work. Ms McGuinness will be aware that I was in charge of euro commerce for a number of years. She is highly regarded by all in business as someone who can wear both hats in terms of representing the consumer and the agricultural producer. I was delighted to hear her comment on the DNA testing issue. Ireland is way ahead of the rest of the world in DNA testing, which was first developed in Trinity College Dublin and has been further developed since.

I would like to speak on some wider topics. For instance, will Ms McGuinness comment on Chancellor Angela Merkel’s recent statement to MEPs: “The EU commission will eventually become a government, the council of member states an upper chamber and the European Par-

liament more powerful, but fixing the eurozone problems is more urgent for now.” It appears she is suggesting we are automatically heading towards a federal Europe. I would welcome her view on whether this is a good thing, if this is the way we should be going or if we should be debating more than this.

My second point is about leaving the European Union. Following Mr. David Cameron’s speech last week, there is now real discussion in the United Kingdom about its leaving the European Union. If the United Kingdom was to withdraw from the European Union in four years time, would Ireland have to follow? The United Kingdom is our biggest trading partner. Some politicians would argue otherwise, but our historic and current links with Britain are considerable. Would it be so bad to follow if we retained our trading links with Europe, as Norway has done, while reinforcing our links with the United Kingdom and retaining most of the powers from the European Union? To date, I have been an enthusiastic European, almost to the extent of, like a teenager, loving everything to do with Europe. However, I would start to question it if Britain left in four years time. We have time to consider the issue and I would welcome Ms McGuinness’ opinions.

Europe’s recognition of the independence of Kosovo is mixed. Ireland has recognised its independence while Spain, Slovakia, Cyprus, Romania and Greece have not. What does this issue hold in store for the European Union? After Kosovo, where will the calls for independence finish? What of Catalonia, the Basque country and Scotland? Surely the future of integration is receding due to the crisis. How can Ireland and the European Union avoid further calls for independence from around Europe?

Having been in business, I would welcome further research, through a detailed audit, on the cost of European legislation to Ireland. It is easy for MEPs in Brussels to pass regulations and legislation and for same to be transposed into Irish legislation, but such laws can have a significant effect on Irish business, particularly small to medium-sized enterprises, SMEs. Highlighting this negative side of the European Union might change it for the better. Could this be done?

Has the euro been an utter failure and could we adopt another policy? We were such enthusiasts for the euro while we were doing well. Two weeks ago, one of the main architects of the single European currency, Jacques Delors, stated that the eurozone had been flawed from the beginning and that political leaders had turned a blind eye to the fundamental weaknesses and imbalances of member states’ economies. Commenting on those who, like the British, objected to euro membership on the grounds that the currency could not work without a state, he stated that they had a point. This was from Jacques Delors, the hero of the euro.

According to the Icelandic Prime Minister, Iceland would either adopt the euro after joining the European Union - I had not realised the implications of this - or drop the krona and unilaterally adopt another currency. She stated: “The choice is between surrendering the sovereignty of Iceland in monetary policy by unilaterally adopting the currency of another country or become a member of the EU.” EU membership would allow Iceland to do exactly this. It looks like it will join the European Union. Is it possible that it will do so at a time when Britain is leaving the Union? If such events come to pass, all of Europe will be dramatically changed. I would welcome Ms McGuinness’ opinion as someone who has been close to this debate for many years.

Ms Mairead McGuinness: I have not lost my journalistic past. I have taken copious notes, regardless of whether I get to answer all of the interesting points. I will try and may group them,

where appropriate.

Senator Mooney raised a number of questions about the key point of the active farmer. I will discuss greening and the idea of active farming. We are concerned that some payments go to farmers who are not producing, that is, they are not active farmers, yet the system is so designed that avoiding such a situation is difficult. There are some cases of large landowners in Scotland who, despite not actively farming, receive significant payments for their large tracts of land. A key issue - we voted last week - is to try to agree a definition of an active farmer in order that the money goes to those who actually work the land.

I will make a strong point to farmers and those Senators who know the agricultural community. I am concerned about what is happening to the Irish land market, in that there is virtually none. Little land is selling, given the uncertainties about CAP reform. A massive amount of land is leased, sometimes on short 11-month systems, and some farmers are not farming now but are thinking of doing so because of the changes in the system. I am receiving calls from farmers who are asking what they should do. I have told them and will say again in this public forum that they should not gamble with money they do not have and they should resist the temptation to take the income support payments from the Common Agricultural Policy and hand them to the land owner. That is a real problem with the system, which is to move to a flat rate payment per hectare. It will capitalise the value of those payments into land prices and rent, and in many cases it will almost solidify the land market, and the direction of the policy is a real worry.

We want active farmers to get the money but member states had the capacity to target money at active farmers. For example, one member state did not allow airports to claim money as they could have done. We are arguing that there should be a negative list of various types of companies that do not use land for farming and which should not get the payments. If a budget is under pressure, we must ensure that the funding goes to rural communities and farmers.

We have the same agenda as the Seanad with regard to active farmers. There was particular mention of livestock farming and there is a real concern - evident in Ireland with decoupled payments - that we are losing livestock numbers. France is concerned about holding on to its livestock sector as there are territorial balance issues and we want farming across the regions. It kept coupled payments and there are proposals in the current reforms to allow member states to recouple some payments where there are vulnerable sectors in vulnerable regions. As Senators have indicated, perhaps in some regions we may be able to recouple payments in order that livestock farmers can get some support.

There is a bigger question of the change in direction and who will benefit from the Common Agricultural Policy. There has been much public debate in this regard. When we move from decoupled payments to a flat rate payment, there will be difficulties across the ditch between neighbours. We should be frank about the issue. If we lived in a time when we could distribute additional money to farming, there would not be a problem but we are talking about two issues. New member states want more support from the CAP but the budget is limited. Money will move to the east. Within member states there is also a need and policy direction to redistribute. My message has always been that we must work a new system in a way that does not disrupt production.

With regard to the German reaction to the greening proposals, it seems Dr. Merkel, the German leader, does not like the idea of a 7% ecological focus area. What has gone wrong with

the farm research and advisory systems during the years, as we have not engaged with both the environment and production frameworks in dealing with farmers? One cannot farm if the environment is not good and one issue goes with the other. We are almost trying to stitch in environmental awareness by linking it to direct payments but most farmers know that one needs good soil and water to produce food in a sustainable manner. The German reaction, which is replicated in the Parliament, is interesting and it is against the proposals.

There has been some very interesting research in the United Kingdom, where there have been programmes for biodiversity strips, and I am a fan. There is one on our farm. If nature is given a place it will flourish, and there will also be benefit to the crops and a return for looking after nature. The issues are not incompatible and we will come up with something to give a greening to the Common Agricultural Policy that is supportive of farming rather than going against it.

With regard to the general budget, including Structural Funds and rural development, there is a concern that cuts could come in rural development funding. There have been some slightly more positive soundings recently and we will know more when the next meeting of the Heads of State and Government convenes. Rural development funding is targeted and important for this region and others, particularly in the support of farming families and the economy. Small cuts will have an impact and we must be careful on a global level of how we manage the issue.

I thank all Senators for their kind remarks. Senator Comiskey spoke about the general history of the policy. We are examining obesity issues as the Union has come full circle from producing for need to considering public health issues and the nutritional value of foods. There is a notion that everything should be labelled in order that people can instantly read about the nutritional value but my view is people should instinctively know food and that knowledge should not be taken away by saying the label will tell them everything. People need to reconnect with food. This is happening, with more people growing their own food and asking questions about food. This will come. With regard to the frozen beef burger saga, the worry is that, morally and ethically, people are buying cheaper products for children who need better sustenance. A beefburger should contain beef and people should make their own but perhaps they do not have that intrinsic knowledge. I am a great believer in giving people the capacity to know and understand. The Senator's contribution was important in that regard.

I applaud Senator Bacik on her maiden speech on agriculture issues, as she was well briefed. Her point is well made about the legislative process in Europe. It is extremely complex and it is a fundamental problem that people feel a disconnect about this. On the other hand, before I entered politics, I did not understand or care about how the Seanad or the Dáil worked. Sometimes we need to tell people how something works in order that they can understand it without getting into the nitty gritty. We amend, we sign off and we vote. We then walk away and the legislation is left with officials. There is little scrutiny of, or follow through on, implementation until there is a problem, which is a serious failure of the legislative process. Every document that is drafted requires several others to be drafted to interpret it and so on. Those who initially had a good idea and drafted the legislation find it gets skewed somewhere between signing off and implementation. The European Parliament and all other legislatures fail in that regard. We do not connect enough with the consequences of what we do. I have discussed this with colleagues and it is something we need to examine to see whether we can do this a little better.

On the "Where is the beef?" issue, Ireland has shown leadership and I have brought this message to the Parliament. Other food safety authorities will do forensic work, to which there

will be an outcome. At least, we took action first and we were open and transparent with the information. I am confident there will be EU action. Commissioner Borg's swiftness in coming back to me gives me that encouragement. The authenticity of food is key. Mention was made of all the various labels. One of my children is fond of chocolates and sweets. One would imagine low fat was the Holy Grail of all foods. Cabbage could be labelled low fat but it is not in that category. The issue is consumer understanding of food. I would hate to think that Ireland could become the nanny state of labelling. A combination of consumer awareness and good labelling is needed. A great deal of work is going on in the area of health claims to remove spurious claims where manufacturers have to prove whatever it says on the tin. The new rules on the provision of food information to consumers will be in place on 31 December this year. That is detailed legislation, on which I can send Members information if they are interested.

I was taken by Senator Bacik's comments on fairness and production under the CAP. Many small farmers are productive and a large farmer is not necessarily more productive. Sometimes the language relating to agriculture is confusing because of this. There is a debate about the distribution of payments, but we must acknowledge that the current payments system is reflective of past production levels and that many farms have retained that level of production. If there is a sudden shift in the amount they received overnight, there would be consequences not just for farmers but for the processing sector. The member states that have moved to a flat rate regionalised payment, such as England and Germany, will have completed the process next year. They did it over a ten year period, having started the discussion in 2003 and commenced implementing it a few years later. There was war within each of those countries, but it has happened and it has been a lengthy process. Germany used national supports for bio-energy to somehow mitigate the consequences. What will emerge at the end of all the processes is that those on very high payments per hectare will take a reduction and those on low payments will see a payment increase. I remind Senators that this is a Common Agricultural Policy which has many objectives, including sustainable food production, territorial balance and environment. It is not simply about scattering the money as far as it will go and we need to be conscious of that when we debate it because there are many other issues, including the animal welfare question which is a huge issue for farmers.

Sometimes animal welfare problems emerge on farms where there are human welfare problems and mental health issues. I spoke to Department inspectors about this issue and to their credit they work in a sensitive way but often there are other problems. All farmers who are well want their animals to do well and they look after them. Given the recent weather patterns, there is a need to be conscious of that issue with respect to vulnerable farmers.

The concern across the European Union in regard to land abandonment is very real. In regard to young farmers, there is a real problem. I have mentioned that there is very little movement on land. We have a low number of young farmers but there are many farmers in agricultural colleges which is very encouraging. I commend a report published last week, commissioned by Macra na Feirme, which refers to the need to get land into the hands of young people who are interested in farming. That can be done by encouraging older farmers to think of semi-retirement. We need to ask about the payments system as it operates as it probably works against land mobility given that people need land to get the payment. That is a disincentive to young farmers and it may also be a slight draw on our intentions to expand production. Given that farm productivity across the European Union is declining, we need to re-engage on the issue of sustainable intensification and get back to good research being communicated to farmers to ensure greater efficiency. Part of the EU 2020 strategy is to encourage better resource use.

There are opportunities and rather than think of more, we ought to think about doing it better because of the cost of production arising on farms.

Farmers are wise enough not to want 200 cows if there is less return but rather to get more out of 100 cows by working more efficiently. There are many interesting challenges in this area. If we can get new people into the system with new ideas there is an exciting period ahead. However, the trouble is that there are uncertain times ahead for the next year or so. In a sense that cripples decision making. I regret that is happening as farmers are keen to chart a way forward. We see the end of milk quotas as an opportunity to get new farmers into the dairy system.

General questions were raised on public health which is a real issue. There is no doubt that nutrition and health are key issues. Every time I open a newspaper there is a different piece of health advice. As people do not know where to turn perhaps that is an issue for another day.

On the issue of women representation in the European Parliament, we are fairly well represented. There was a radical idea in regard to gender balance on boards of public companies which was watered down a little, but the conclusion is that where there is a better gender balance, it helps the boards to function and companies profit from it. Many public companies are moving in that direction.

I remember my childhood on farms and perhaps some Members also gathered potatoes by hand. Many bodies were needed as there were not many machines. Agriculture has been mechanised a great deal and the drudgery has been taken out of some aspects of it. Some people believe it was a very romantic way of living - it was not on a very frosty morning - but we have a nostalgic view of it. Senator Marie-Louise O'Donnell said we should have more people on the land and I mentioned that young people coming back into farming is crucial. However, we need to consider how farming families can realistically make a decent income from farming or from another enterprise on the farm. That is where it will go. The Senator said that without nature we are going nowhere, which is part of what we are talking about with agriculture policy now. We need to work with nature to get the most from it. Mechanisation and also other opportunities would have taken many people from the workforce.

Senator Quinn raised many issues and I am not sure if I have time, a Chathaoirligh, to deal with them.

An Cathaoirleach: We have a number of questions.

Ms Mairead McGuinness: Let me try to address some of them. On the DNA issue, we are doing that. I did not get to write down the full quote from Chancellor Merkel. Even in our 40 years in the European Union, I regard it as a work in progress as opposed to an end game. It depends on how one looks at it and how one engages with it. On deeper integration or whatever term the Senator used - a federal Europe - it is a very simple fact of whether people can work together. Can countries work together effectively? In that same breath, this question of the United Kingdom's decision has had its desired effect. I gather the British Conservative Party has increased its poll rating somewhat. Very often in politics, things happen for other reasons. Because I have listened to so much of this debate in the United Kingdom, we have to allow the United Kingdom to make up its own mind. However, it would be a strange European Union that every so often had a member state that had committed to doing certain things in free association with other colleagues and then afterwards decided it did not really mean that and wanted out. It is a very hard way to do business.

The most difficult words in Europe are “compromise” and “solidarity”. Nobody likes to compromise but the only way to make progress anywhere, especially in the European Union, is through compromise. I found that difficult in the beginning because everybody thinks his or her ideas are the best. However, if one goes in with that attitude, one comes out with absolutely no progress. Chancellor Merkel’s comments are in that frame and I do not see them as a threat. I believe Mr. Gay Mitchell mentioned last week that Ireland was much freer and independent now as part of the European Union than we were before we joined. I am not convinced that the United Kingdom will leave. I believe wiser counsel will prevail if and when there is a referendum and it will be an interesting one to follow.

In terms of crisis, there is a tendency for people and countries to go inwards and have this idea of being independent without ever thinking what difference it would make. Would it make any difference and would life be any better? That is always the question to ask. Very often it would not be better. There is a sense of insecurity that politics needs to address because that is why these things are happening. The same applies to the question on Iceland the Senator raised.

I mentioned my concern about EU legislation because people complain about it, but it is in its implementation. I have never understood why it is not possible for us to say that certain legislation does not work effectively or that we are implementing it with gold labelling on it and that we need to look at that and change it. We should be able to do it because we have the skills and knowledge to do it. I support the Senator’s idea of having an audit, but it must be remembered that when we pass directives, the national parliaments legislate after that. A directive gives the general pointers and member states then introduce the legislation. Many countries have a light touch approach, which I do not favour, and others gold plate. Let us consider how forensic we had to be on the hamburgers. Let us consider the issues surrounding BSE. The amount of traceability and rules that needed to be introduced caused horror across the industry but the result was excellent. We all need effective regulation - not more or less, but effective regulation. We should try to rule out the ineffective and burdensome. However, in the food industry there is no room for anything but perfection, which is the bottom line.

4 o’clock

An Cathaoirleach: There are quite a number of questions. With the time constraints, I will take five questions together, four of one minute each from Senators Wilson, O’Neill, Barrett and Hayden, and one of two minutes from Senator Reilly.

Senator Diarmuid Wilson: I will not take that amount of time. My colleague, Senator Mooney, tells me I should refer to Ms Mairead McGuinness, MEP, as “Deputy McGuinness”. I did not know that until today. She is very welcome. It is refreshing to hear somebody who knows her brief inside out, and not only represents the farming community in Brussels so well but also lives the life at home. She alluded to the perceived dangers to rural development funding. What effect would the proposed reduction in the CAP have on the Leader programme, a programme that has been beneficial to rural areas, and especially to the part of the country from whence I come?

Ms McGuinness mentioned that the legislation on food labelling would be tightened, but not until December 2014. Why is there a two-year delay in tightening that legislation?

Senator Pat O’Neill: I welcome Deputy Mairead McGuinness or Ms Mairead McGuinness, MEP. We all see her in the European Parliament as a sheriff on food safety and public

health and I suppose “sheriff” would be something of a promotion. She dealt well with the horsemeat issue. I welcome the legislation on food labelling to come in on 31 December this year. On alternative enterprises, she mentioned getting younger people into farming. When I stayed at home, a farm was able to support two families. Now one needs vast amounts of land if one wants to try to support two families and that does not happen.

Ms McGuinness spoke about alternative enterprises. Interestingly, while coming up today I heard on the radio a lady interviewed on “Today with Pat Kenny” about chicken production in this country. There used be 11 processors; there are now three. It costs €7.60 to produce a chicken in Ireland and it costs €4.50 in the rest of Europe, especially eastern Europe where energy costs, feed costs and labour costs are much cheaper than ours. How can we compete? I was startled to hear that in Hungary and Ukraine, from which we import 80% of our chicken, they export chicken fillets, which is what we use, through Holland. That comes in as fresh chicken but it could be eight days before it gets to our shelves. We get a chicken from Thailand or Hungary, bacon from Denmark, cheese from Holland and breadcrumbs from the United States, and could call it “Chicken *Cordon Blue*” when it is made up and labelled as the produce of Ireland. Ms McGuinness stated that the new legislation is applicable to protein produce. As all of those products to which I refer are proteins, under the new legislation in 2013 how can one have a label listing five countries of origin? How will we overcome this?

I noted today that the farming section of the *Irish Independent* had a headline, “Farmers wary of daughters taking reins”. How can we get over this?

Senator Catherine Noone: I am surprised to hear Senator O’Neill express concern about that issue.

Senator Pat O’Neill: I am very worried about it.

Senator Sean D. Barrett: I welcome Deputy McGuinness - it is difficult to get used to calling MEPs Deputies, but it is the first time I have heard that used. She has a terrific record in the media and on television and it is wonderful to see her here.

Are the subsidies capitalised in higher land prices and does that form a major obstacle to the young farmers who are trying to get into agriculture?

Senator Aileen Hayden: I welcome Deputy McGuinness and congratulate my colleague, Senator Bacik, on her excellent maiden speech on agriculture.

Senator Ivana Bacik: I thank Senator O’Keeffe for the briefing.

Senator Aileen Hayden: On food and food quality, a recent United Kingdom survey stated that the number of consumers who felt they were getting enough fruit and vegetables in their diet had fallen in the course of the recession, from 60% to 48%, and there was evidence that the recession is driving the race to the bottom in terms of consumers buying cheap processed food because the evidence is that it is more expensive to buy good food than to buy cheap food. In my lifetime the role in Ireland of the large supermarkets, in particular that of the large international multiples, has been significant in driving out many small supermarkets and grocers. Does Ms McGuinness think the European Union does enough to promote direct access on the part of the consumer to food such as through supporting ventures such as farmers’ markets where cheaper good quality fruit and vegetables can be made available to consumers?

Senator Kathryn Reilly: Like previous Senators, I welcome Ms McGuinness to the House. Given that her contribution focused heavily on agriculture, what work she would do with her Six County MEP colleagues to achieve the best deal for Irish agriculture and the Irish agrifood industry throughout the island? Ms McGuinness spoke about food labelling, and substantial transformation holds that a product originates in the country where it last underwent a substantial working or processing resulting in the creation of a new and different article of commerce having a name, character or use different to its constituent materials. This terminology originates in the WTO and in EU legislation governing the EU custom code. It can only be amended at EU level. Has Ms McGuinness had any consultation with the Codex Alimentarius Commission and the national codex commission in Ireland on substantial transformation, given its importance particularly with regard to country of origin food labelling?

Ms McGuinness expressed concern about rural development funding and Senator Wilson mentioned the Leader programme. The European Court of Auditors report in 2010 on the Leader approach to rural development stated the potential added value of a partnership was not achieved in local action groups, LAGs, where decision-making was dominated by local authorities. It felt rules were required to ensure partnerships are not dominated by local authorities at project selection meetings. What is Ms McGuinness's opinion on the alignment proposals of the Minister for the Environment, Community and Local Government, Deputy Hogan, and what they will mean for Leader programmes and rural development in Ireland, given that local development companies have expressed grave concerns about them?

It would be remiss of me not to ask about the promissory note deal and the rejection by the ECB of the Government's preferred option for the restructuring of the Anglo Irish Bank promissory notes. What is Ms McGuinness's opinion on this? How can we foster solidarity in a Europe of equals when the Irish people feel very hard done by with regard to the European banking institutions?

Ms Mairead McGuinness: How long do I have to reply?

Acting Chairman (Senator Paschal Mooney): We are due to finish at 4.15 p.m. and another five Members wish to contribute.

Ms Mairead McGuinness: I will try to be brief.

Acting Chairman (Senator Paschal Mooney): I ask Ms McGuinness to be as concise as she can, addressing the specifics.

Ms Mairead McGuinness: I apologise. Normally in the European Parliament we get one minute; I am, therefore, having a party here with the time extensions.

Acting Chairman (Senator Paschal Mooney): I suggest one minute per answer.

Ms Mairead McGuinness: Two Senators asked about rural development funding. I am concerned because there is a feeling we could cut rural development and hold direct payments. We are fighting on the grounds that in a two pillar CAP one must have an adequate budget for both pillars. I have heard recent soundings, as we approach the meeting of the Heads of State and Government in February, that are little better than earlier; perhaps, therefore, we might not be as concerned. Until I see the figures I remain determined to push for an adequate budget for both headings of the CAP. If any cuts were made to the Leader programme naturally everything in rural development would be affected. This would be a real shame because the Leader pro-

gramme is very much a bottom up ground level initiative and has helped to establish businesses.

The point on food labelling ties in with something I said. Our way of making legislation takes time because it involves committees, plenary sessions, negotiations with Council, Commission proposals and then implementation in all member states. It can only be implemented on that date because of the legislative process. With regard to CAP reform we hope the Minister, Deputy Coveney, as president in Council will get an agreement by the end of June. We will not see implementation until 1 January 2015 because we will need time to make the changes.

Senator O'Neill raised a very interesting point about the number of people who used to be on farms. We need to look back at how that was done and how it was that we could have a number of people living off a farm. In today's world, however, it is extremely difficult. I dare say that the trend in food prices over time has been the problem. Farmers will point out what they used to get for a sheep 20 or 30 years ago compared with now.

I heard the programme that Senator O'Neill mentioned and I am aware of the fact that so many chicken products are imported. This concerns the issue of authenticity and what is happening in the food supply chain. Food processors need to understand that for us to trust their products they must have a trusting relationship with all their suppliers. The idea of having blocks of frozen chicken or other meat and pressing a button to get the cheapest option is not appropriate in the food supply chain because we know of the practices that happen. We will have to ask the food industry to examine the matter to see if it is appropriate that this should occur. It must be remembered, however, that we are also a major food exporter. Therefore, we do not want to say that it is all about our food because we want others to enjoy the quality of food we produce. We want it to be exported to the United States, Europe or elsewhere; therefore, we need a food supply chain that does not have any weaknesses in it. With a commodity like chicken - Senators heard the report this morning - it certainly looks like that, as it now operates.

As regards young people in farming, in the Celtic tiger era everybody looked down on farming. There was no interest in it and people left the land. We had a great number of part-time farmers because the building trade helped and supported it. Money was invested in farms because there was a little more cash in hand. We now have a situation where younger people who like farming - people have to like it, rather than being forced into it - want to farm. There is an opportunity with the abolition of milk quotas, but it has to be about efficiency in farming as well, not just about having more cows. There are opportunities for young trained farmers to re-engage with the idea of productivity gain, which is referred to in the Treaty of Rome. We had perhaps forgotten about that idea in the switchover towards environmental concerns.

Senator Barrett asked whether subsidies were capitalised.

Acting Chairman (Senator Paschal Mooney): There are two minutes remaining.

Ms Mairead McGuinness: We are in a transition and need to watch this because I do not think that is sustainable or appropriate in terms of public money or policy. As we do not have any great experience other than Germany and the United Kingdom, we need to watch that. It could be something that will cause problems down the road.

As regards the recession and cheap processed foods, including fruit and vegetables, we have to understand value and quality, as opposed to price. People are tempted by a label that gives them a cheap price, but it is also about being aware of the intrinsic qualities of food.

The role of large multiples is hugely significant. They decide what we buy because if it is not on their shelves we do not see it. They have a huge impact on SMEs and access to shelf space. That area, to which I referred, needs a great deal more attention. Competition policy needs a little more forensic analysis on how it applies to the food supply chain.

As regards what the European Union is doing on direct access to food, there are loads of initiatives but we need to be realistic as well. Many people will not have time to go to farmers' markets. We use them but we will not get everything we want there. It is wonderful when they work and people can engage with them because they help food production. We should be able to visit the grocery and supermarket, however, and know what is in the products on their shelves. That is a key point.

Senator Reilly had a number of questions on co-operation with our colleagues from Northern Ireland. We meet regularly with them and with Ministers from both sides of the Border. There is very good co-operation between us.

Acting Chairman (Senator Paschal Mooney): We have to finish the debate.

Ms Mairead McGuinness: I apologise. On the promissory note, I have great faith in the Taoiseach and the Minister for Finance. It is a work in progress and it will be delivered.

Senator Maurice Cummins: With the permission of the House, I seek to extend the time for five minutes to allow other questions to be answered.

Acting Chairman (Senator Paschal Mooney): Is that agreed? Agreed.

Senator Maurice Cummins: As I know that Ms McGuinness is under time pressure herself, we should confine it to five minutes.

Acting Chairman (Senator Paschal Mooney): I ask that the questions be concise and the answers equally concise. I am not reflecting on either but this is to accommodate as many Members as possible.

Senator Colm Burke: I thank Ms McGuinness. I refer to the land issue, the manner in which it is held and land consolidation. One hundred years ago there was major reform in Ireland with regard to the work of the Land Commission. However, we have done nothing in respect of land consolidation as there are no incentives in this regard in real terms. Could this be incorporated and an incentive put in place under a European policy, which then could be brought in under Irish policy? I consider this to be a very important issue.

Senator Catherine Noone: I welcome Ms McGuinness and I am very interested in the issue under discussion. While I hope to discuss it with Ms McGuinness at some other time, I wish to follow on, in particular, from the points made by Senator O'Neill and to elaborate further on them. I was horrified to think that in a pack of four chicken fillets from Tesco or any similar shop, each fillet could be from a different country. I find it horrific that if they are touched in Ireland in any way, they can be designated as Irish produce. As Ms McGuinness noted - this is the kernel of the issue - people must become more educated. One cannot, as a government or as a leader, tell people what they are going to eat. Moreover, while labelling might be present, people may not read it. However, one should be confident that if something claims to be Irish, it is Irish. I would be interested in learning how Members could legislate or put in place some sort of code of conduct for producers to emphasise that when people see

something labelled as Irish, that is what they want and not something that is Turkish, Afghan or from all sorts of other origins.

Senator Tony Mulcahy: Ms McGuinness is very welcome and I have two or three brief questions. On the issue of policy and legislation, it is the implementation and the interpretation or misinterpretation of that implementation that causes the problem when one actually gets to the bottom. That is the “Yes Minister” analogy. I have three brief questions in respect the removal of milk quotas in 2015. What role will Kerry Group’s research and development facility play? What of the added value food production opportunities that probably are wrapped around that? How should the Irish agrifood community access that market from then onwards and are there opportunities?

Senator Michael Mullins: I join in the welcome extended to Ms McGuinness and thank her for an inspiring address. As the milk quota issue has been addressed, I will confine my question to a topical issue. From what Ms McGuinness is hearing in Europe, has long-term damage being done to the Irish food industry? As a country, what must we do to rebuild the fine reputation we had built up during the years? Does Ms McGuinness discern much long-term damage? As for the issue of the availability of land, is anything happening in Europe to incentivise older farmers to pass matters onto the next generation or to lease on a long-term basis? I met representatives of Macra na Feirme recently and they are most concerned about that issue.

Ms Mairead McGuinness: I will open on that point pertaining to inheritance, land and women. There will be more female farmers because of smaller family sizes and choice. Women are farming now. However, they are not quite as visible as they need to be. It is akin to politics in that if one sees women in politics, it encourages young women to look at politics but if they are not there, it is just part of the parcel. However, on issues regarding land, I always say that where there is a will, there always is a relative, especially around land. Nothing has diminished in terms of the Irish attachment to and sentiment for land.

Senator Rónán Mullen: We still love it.

Ms Mairead McGuinness: It is very deep and it is deepening because so many other things are uncertain. This is a real difficulty in respect of getting the best and most from the land. As it is in private ownership, one must consider initiatives. They must be from member states rather than European because there are different land structures. There are some very useful initiatives in place for long-term leasing and tax concessions are available. Perhaps there is not enough information on or awareness of this. The uncertainty concerning the single farm payment is preventing any progress in this area. I am glad the Senator has been speaking to Macra na Feirme and I we will see some movements to try to free up the land market. However, it is a very sensitive point, albeit an important one for the future of agriculture.

Senator Noone made the point very well about what could happen and what could be contained within a product. Even with the best of knowledge, a customer can be misled. Labelling is only as good as the checks we carry out. There must be a sustainable and trusting relationship between farmers, processors and retailers in the food industry. That is how we will secure safe, quality food. We do not have that and until we develop these systems fully we will find problems and we will need the forensic scientists of the FSAI under Alan Reilly to carry out spot checks. We have led the way in this field.

Senator Mulcahy asked about milk quotas. When they go, we must find new markets.

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There will be a demand for dairy produce and any research and development that finds new product lines will help Irish farmers. Dairy expansion is possible and farmers themselves, as a result of the banking crisis, will be more cautious. It is hard to find money for expansion. They will be more cautious about how they expand, looking at efficiency factors and attracting new people into the dairy sector. Other member states, however, want to hold on to quota. It is a heated debate in the European Parliament still, even though the quotas are set to go in 2015 and Ireland supports that position.

Senator Mullins asked about long-term damage. Truthfully, there was very little reaction to the issue in the European Parliament because horsemeat is consumed in Europe. The reaction was one of surprise that we had such good forensic science when it comes to checking and the need to expand that to the rest of the European Union. We have shown leadership on this issue, but in a year or so we must debate the issue to see what the response was. We do not have all the information from the source of the horse meat and we do not know why and how it got into a beefburger.

Acting Chairman (Senator Paschal Mooney): On behalf of all sides of the House, I convey our appreciation to Ms Mairead McGuinness, MEP, for coming to the House, her comprehensive presentation and the concise and detailed responses she gave. All sides of the House will agree that this has been an enlightening experience.

Business of Seanad

Senator Maurice Cummins: I propose an amendment to the Order of Business that we suspend until 5.30 p.m. to deal with the Water Services Bill 2013.

Acting Chairman (Senator Paschal Mooney): Is that agreed? Agreed.

Sitting suspended at 4.25 p.m. and resumed at 5.30 p.m.

Water Services Bill 2013: Committee and Remaining Stages

An Cathaoirleach: I welcome the Minister of State, Deputy Fergus O'Dowd.

SECTION 1

An Cathaoirleach: Amendment No. 1 in the names of Senators Cullinane, Reilly and Ó Clochartaigh has been ruled out of order.

Amendment No. 1 not moved.

An Cathaoirleach: Amendments Nos. 2, 3 and 6 are related and may be discussed together. Is that agreed? Agreed.

Senator David Cullinane: I move amendment No. 2:

In page 3, subsection (2), line 22, after “Act” to insert “other than *section 24* “.

I welcome the Minister of State, Deputy O’Dowd, and express my disappointment that amendment No. 1 and some other amendments we tabled have been ruled out of order. The reason given is that they are in conflict with the principle of the Bill, but it is still our right to table amendments. If we do not agree with the principle of the Bill, I contend it is our right to seek to change the legislation to bring it into line with what we see as the correct principles which should underpin the provision of water services in this State. However, I have to accept the ruling of the Chair.

In dealing with amendments Nos. 2, 3 and 6, the Minister of State might remember that we had a very similar debate when he brought forward the household charge. We had a very interesting debate on poverty proofing policy decisions in the State. During that debate we made the point that the household charge would have an impact on many low income families, that there would be a level of resistance to the household charge and that people were sick and tired of a whole raft of new taxes, stealth charges and regressive charges coming at working families at a time when the State was in a very difficult financial situation. We made the point again that much of what the Government was doing was having a damaging effect on the domestic economy but, more crucially in the context of the amendment we tabled then and which we table now, we were concerned about the issue of poverty.

The Minister of State will have heard the term “fuel poverty” on many occasions and will know that many people in the State suffer from fuel poverty. As a consequence of what the Minister is going to do here, namely, setting up a Uisce Éireann and introducing water charges, we may well see water poverty as we do not know what waivers will be in place and how it will impact on low-income families or people on welfare. That would be an appalling situation in which to find ourselves.

The amendment specifically would delay the coming into operation of the section and empower the Commission for Energy Regulation to make functions to bring about water charges. That is essentially what the Government wants to do. We seek to delay that until a poverty impact analysis has been carried out.

Far too many people in the State are on low pay and social welfare payments because jobs are simply not available. Far too many people live in poverty and live just above the poverty line. When one looks at all the new taxes and charges coming into being, all of that will have very negative impact on families. Let us just remind ourselves of what those families are looking at. Last year they were faced with a flat rate household charge of €100. They will now be faced with this family home tax, because it most certainly is not a property tax, of on average between €300 and €500, depending of the value of their home. We will see an increase in the carbon level of €5 per tonne. We saw a reduction in the fuel allowance from 32 weeks to 26 weeks and a 2% VAT increase, which disproportionately impacts on low-income families and households. There is a projected increase of approximately 1.9% in inflation. There was an increase in fares for public transport, an increase in the drug payment scheme threshold and an increase in school transport costs. In addition to all of this, we will now ask those same families to pay water charges. It is getting to a stage where people are asking themselves what they paying all these charges for. If they are paying income tax, PRSI, the universal social charge and more taxes than ever, why is it that they are now being asked to pay water charges and property tax in addition to all of this?

There is also an issue of how much all of this will cost the State and the fact that money could be better spent elsewhere. The Government claims that installing the water meters will cost €500 million and that money will be borrowed on the strength of this. What will happen if it costs more than €500 million? Who will bear that cost? Will the cost in any way be borne by the householder? The local authorities' professional officers have said the true cost of installing water meters will be €1.2 billion. Would it not be better to spend the money on improving the water infrastructure in this State rather than use taxpayers' money to put meters outside people's doors which the Government can use as some sort of tap to get more taxes from them? At the same time, the Government will not introduce any new taxes for higher earners or will not look at the concept of a wealth tax. It has no difficulty putting a tap outside people's houses which will measure the water going into the house, for which the Government will charge them as a new form of taxation, but it has still not spelled out exactly how that will be done and whether it will be a flat rate or based on usage. All of these issues need to be dealt with.

There are other amendments to which I will get but, obviously, I do not agree with water charges. There are some services which should be provided on the basis of need and on the basis we pay taxes. I do not have a difficulty with water conservation. There are many things the Government could do to improve water conservation - for example, education, water harvesting, dual flush toilets and so on which could be tackled at the planning stage. There are many measures people could take. I would not have a difficulty with enforcement where householders waste water and ensuring people have to pay for what is essentially wastage, but what I cannot support is the principle of people having to pay for water. It is a precious commodity and costs money to get into people's houses, but people pay for this through their taxes.

Will the Minister ensure that when he brings forward policies such as this, sits at the Cabinet table and looks at introducing new taxes and charges, he does so in the context of equality and poverty proofing many of these measures? I have no doubt whatsoever that when these charges are brought in, more people in the State will be living in poverty, which would be regressive.

It is interesting that Fianna Fáil has not tabled a single amendment to this Bill, but it is not surprising, given that the genesis of the water charges lies in that party.

Senator John Whelan: On a point of order, are we speaking to the amendments or are we having a party political broadcast?

An Cathaoirleach: We are on the amendments.

Senator John Whelan: What is the relevance of school transport to the Water Services Bill 2013? How can one be against water charges but for taxes?

An Cathaoirleach: We are discussing the group of amendments, Nos. 2, 3 and 6.

Senator John Whelan: I see no relevance in the contribution from Senator Cullinane. What he has said has no connection to the amendments and I would like, with respect, that the Chairman would keep order in order that the Senator will address the amendments rather than going off on a party political broadcast, with Sinn Féin being all in favour of services but against paying for anything.

An Cathaoirleach: Senator Cullinane, we are on amendments Nos. 2, 3 and 6.

Senator David Cullinane: We have just had a party political broadcast from the previous

speaker, but he might be unaware of the fact that the amendments are allied to poverty-proofing policy. While the Senator was very vocal about the budget and the impact it would have on working families-----

An Cathaoirleach: Will the Senator, please, speak to the amendments?

Senator David Cullinane: The very families about whom he spoke will be very conscious of all of the charges they are being asked to pay and of the fact that they are being asked to make a further sacrifice by paying water charges. While the Senator might not grasp the reality of this, I can assure him that his constituents who have suffered enough and who have taken huge pain in the course of six austerity budgets do. I make no apology for spelling out again all of the increased taxes, the additional charges and the cuts in services which have impacted on those families, the cumulative effect of which is that more people are living in poverty. When this water charge is added, more people will be pushed into poverty. The Senator might not get this, but he can rest assured that his constituents do.

An Cathaoirleach: I again ask the Senator to speak to the appropriate section of the Bill.

Senator David Cullinane: There is a very real connection between what I am saying and the reality for people who have to pay these charges. I also remind the Senator that people pay income tax and they pay it for services. They are paying more taxes than ever before, which is the point we are making and that is why we want this to be poverty-proofed. Almost everyone now pays the universal social charge and only those on very small incomes are exempt from that charge. There are many people who should not be paying the USC. The essential point we are making is that at a time when people are paying more taxes than ever before, it is unfair to ask them to also pay all of these indirect taxes also.

The final point I wish to make before the Minister responds is that all of this is damaging to the very principle of taxation. I have no difficulty in paying taxes and believe the principle of taxation is good. We should pay taxes and should encourage others to pay them, as long as they are fair and progressive. There are many people now wondering why they are paying taxes because they are seeing a drift away from progressive taxes towards indirect taxes, where wealthy people pay the same as those earning only €200 or €300 per week. They do not see this as fair. It is doing enormous damage to the whole principle of taxation and it is wrong. The Government must go back to the drawing board and make sure that when it introduces measures such as water charges that it properly equality-proofs and poverty-proofs them.

Senator Diarmuid Wilson: I welcome the Minister of State, Deputy O'Dowd, to the House. These are difficult days for the Minister and the people of County Louth as a result of the murder of Detective Garda Adrian Donohoe. I offer my condolences to the Minister, the people of his county and the family of Detective Garda Donohoe in County Cavan, where he hailed from originally.

I wish to clarify the situation regarding amendments to the Bill. Senator Cullinane has rightly stated that on the list of amendments tabled there is none from Fianna Fáil, but I wish to make it clear that Fianna Fáil submitted 18 amendments. However, because of a technical difficulty, they were not submitted on time. We could have pursued the issue, but we understand that the Bills Office is very busy and that we will be given an opportunity to raise our amendments on Report Stage. I will make no further comment now but will speak to various sections of the Bill later.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O'Dowd): I apologise to the House for my absence earlier and thank Members for enabling me to go to the Dáil, where tributes were paid to Garda Adrian Donohoe. I thank Senators from both sides for agreeing to this because it was important for me, as a Member of the Oireachtas for County Louth, to be there.

At the heart of all of this - notwithstanding Senator Cullinane's point about poverty proofing, which I agree must happen - is the fact that if the amendment were to succeed, it would affect another section of the Bill, whereby the regulator would not be able to do anything at all. The effect of what Senator Cullinane is suggesting would be that nothing at all would happen until the poverty-proofing and affordability issues were addressed. The Bill could only commence then, which means Irish Water or Uisce Éireann would have no legal authority to do any other work in the interim.

What goes to the heart of what we are doing here is that the water charges will have to be fair and will have to be seen to be fair. As I said last week, during the consultations we have had so far, we have met people who are champions of those on lower incomes, including Fr. Seán Healy of Social Justice Ireland, the Society of Saint Vincent de Paul and other similar organisations. There is a process in place that involves consultation not just with those who advocate on behalf of the poor but also with other Departments, most particularly the Department of Social Protection. All of these issues will be dealt with and will be properly considered. In that context, I ask Senator Cullinane to consider withdrawing his amendment because nothing could be done if it were passed. It would effectively mean that the regulator could not deal with any of the other issues involved here. I ask him to withdraw it although I accept that he has the right to put it to a vote. I also accept that at the heart of the amendment is the point made by the Senator about affordability and fairness. It is my job and that of the Government to be accountable to the Oireachtas in that regard. I am happy to discuss this further in an Oireachtas committee and to go through all of the issues when the time comes and the charges are decided by the regulator and the Government.

Notwithstanding everything said by Senator Cullinane, a householder who happens to live north of the Border, in County Armagh or in Belfast, for example, pays, on average, the equivalent of €1,000 per annum for all of the services he or she receives. Those service charges are decided by the Executive in Northern Ireland and the local councils. All parties which sit on the Executive and the local councils contribute to that decision-making process. This year, a proposal was agreed by Belfast City Council that those charges would increase. I believe the vote was unanimous and all parties, including Sinn Féin, supported an increase of 2%. I wish to insert reality into the debate and make that point to the Senator.

Senator Cullinane also made a point about water conservation and he is correct that a significant amount of money will have to be spent on the rehabilitation of the water mains network. As we all know, over 40% of water, on average, is lost or unaccounted for, which is a scandal that we must not allow to continue. A significant portion of the moneys raised from water charges will be spent on fixing the leaks. The regulator must insist that Uisce Éireann draws up a year-by-year plan for reducing the amount of unaccounted-for water. There are different rates of water loss in different counties. In Dublin the rate is approximately 23% or 24%, but other counties are losing more than 50% of their treated water. There are significant issues to be addressed in this regard.

I ask Senator Cullinane to reconsider his amendment.

Senator David Cullinane: I thank the Minister of State for his response and concur with his views on water conservation. We should take whatever measures are necessary to encourage people to conserve water because there is an enormous cost to the State in making sure that people have good quality water. We must ensure that any mistreatment or misuse of water is dealt with properly. At the same time, we must also accept that most of the waste is caused by the system itself. If the average leakage, on a county by county basis, is 36% then that is where the real problem lies and that is one of the fundamental points being made by my party. We want to ensure there is enough investment in water infrastructure to deal with that issue. The amount provided for in the capital programme for 2012 in respect of water infrastructure was reduced by €100 million.

An Cathaoirleach: While the amendments are broad ranging, they do not cover this aspect.

Senator David Cullinane: The Minister of State raised the issue. On the amendment, Sinn Féin makes no apologies for seeking to delay the introduction of the commission powers to introduce water charges, which is essentially what we are trying to do. We also make no apologies for wanting to ensure a proper analysis-study is undertaken. The Minister of State said this has been done.

Deputy Fergus O'Dowd: It is being done.

Senator David Cullinane: Perhaps the Minister of State might work with us and demonstrate how it has been done. I would like to know the formula and methodologies used. I do not know how these functions are performed on behalf of the Government. I do not believe these analyses-studies take account of the issues raised by organisations such as Social Justice Ireland, the Society of St. Vincent de Paul and many others.

In considering the introduction of water charges, funding of local government and poverty proofing we must look to what is happening in other jurisdictions. The North of Ireland is a good place to look in this regard. As I have said on numerous occasions in this House, I have no difficulty in principle with the introduction of a rate, which is different to each individual service applying local charges. In the context of reform of our overall tax system, we must ensure that, where possible, higher earners pay more, including through the introduction of a wealth tax. We must also ensure that the rate is based on ability to pay. In other words, there is a progressive element to it. While the principle of collecting taxes is a good one because we must ensure people receive services, what is wrong is that we are moving away from progressive and direct taxation to indirect taxation, which is having a disproportionate affect on many low-income families and putting them into poverty.

People in the North of Ireland receive many services, including free school books, free school transport, bin collection and de-sludging services, for what they pay. I do not believe people in this state-----

Senator Jimmy Harte: It costs £140 to have one's septic tank serviced.

Senator David Cullinane: -----would have a difficulty paying if they received similar services. I would welcome that type of debate. Perhaps the Minister of State might return to the House for a discussion on the issue of funding local government.

An Cathaoirleach: We are dealing with amendments Nos. 2, 3 and 6.

Senator David Cullinane: We must be conscious when making big decisions like this, that they will impact on some families more than others. Some people can afford to pay a little more and as such the water charges will not be a huge deal for them. However, too many families have been asked to pay too many charges. We are told every time we come into this House to debate the introduction of a new charge that it is only €4 or €5 per week, as was the case in respect of the household and septic tank charges and the cuts in social welfare payments. However, account is not taken of the cumulative effect in this regard, which was studied by the ESRI.

An Cathaoirleach: The Senator is making a Second Stage speech.

Senator David Cullinane: With respect, I am not.

An Cathaoirleach: The Senator must stick to the specifics of the amendments.

Senator David Cullinane: The ESRI stated that the most recent two budgets and decisions made therein were the most unequal of the past six budgets and have resulted in people at the bottom end of the scale, including on those on low pay and in receipt of social welfare payments, being disproportionately affected. The Government is not properly poverty-proofing decisions which it is making. I propose to press the amendment.

Deputy Fergus O'Dowd: I reiterate that all issues in relation to low-income households, poverty-proofing and the many other important matters raised by Senator Cullinane, will be taken into consideration in terms of this process. In addition, there will be transparency in that regard. The charges when decided on and announced will be open to full debate. This will only work if it is fair and seen to be fair. There will be nothing hidden in the context of how the decisions are arrived at. The process will be open and transparent.

As I stated, acceptance of this amendment would result in the regulator not being able to do any further work, with which I disagree. I do not accept that the Senator's amendment has value at this time as the issues raised by him will be dealt with in the process, which will be transparent and will be accountable to the Oireachtas.

Amendment put:

The Committee divided: Tá, 13; Níl, 24.	
Tá	Níl
Byrne, Thomas.	Bacik, Ivana.
Cullinane, David.	Bradford, Paul.
Daly, Mark.	Brennan, Terry.
MacSharry, Marc.	Burke, Colm.
Mooney, Paschal.	Coghlan, Eamonn.
Norris, David.	Coghlan, Paul.
Ó Murchú, Labhrás.	Comiskey, Michael.
O'Sullivan, Ned.	Conway, Martin.
Power, Averil.	Cummins, Maurice.
Reilly, Kathryn.	D'Arcy, Jim.
Walsh, Jim.	D'Arcy, Michael.
Wilson, Diarmuid.	Gilroy, John.

Zappone, Katherine.	Harte, Jimmy.
	Hayden, Aideen.
	Higgins, Lorraine.
	Keane, Cáit.
	Landy, Denis.
	Moloney, Marie.
	Moran, Mary.
	Mulcahy, Tony.
	Noone, Catherine.
	O'Neill, Pat.
	van Turnhout, Jillian.
	Whelan, John.

Tellers: Tá, Senators David Cullinane and Kathryn Reilly; Níl, Senators Paul Coghlan and Aideen Hayden.

Amendment declared lost.

6 o'clock

Senator David Cullinane: I move amendment No. 3:

In page 3, between lines 25 and 26, to insert the following subsection:

“(3) *Section 24* of this Act shall come into operation after the 1st of January 2014, or following a review of that section under *section 24(4)*, whichever date is the later.”.

Amendment put and declared lost.

Section 1 agreed to.

Sections 2 and 3 agreed to.

SECTION 4

An Cathaoirleach: Amendment No. 4 in the name of Senator Cullinane has been ruled out of order-----

(Interruptions).

Amendment No. 4 not moved.

Question proposed: “That section 4 stand part of the Bill.”

An Cathaoirleach: Senator Cullinane has indicated that he will oppose section 4.

Senator David Cullinane: Yes. We tabled a number of amendments that have been ruled out of order, but I will speak to the section on our proposed alternative to Irish Water, namely, a national water sector framework team. The essence of our proposal was to ensure that we had local democratic responsibility for the provision of water, which is important, that water was delivered in the best way and that there was a collaborative approach between local government and the Department.

We are opposed to the centralisation of this function and would prefer to see it preserved within local government. I am a former councillor and many of us need to win support from within the local government system to enter this House. Many of us who came through that system would have spoken on many occasions about the lack of powers in local government. As there was a good and healthy debate only last week on the issue of local government reform, I will not rehash all of it. Many Senators from all sides spoke about the need to empower local government and councils, reversing a loss of power in local authorities. They argued that we must ensure local authorities have very real powers and functions and that is why we want to find the mechanisms that will keep provision within the local governance system and under the supervision of democratically elected local councillors. Local control and accountability is important.

I also share the concerns of SIPTU about the proposal to move 3,000 workers from their current positions in local authorities into a new utility. There will be negotiations and discussions between the trade unions and the Government on the matter, but the issue is related to the weakening of local government by taking staff out of local councils. The staff, which could be doing other work, will be put into a new body, further weakening the ability of authorities to provide services that people need. We also share SIPTU's view that such a move would have serious implications for the future of local government, as I mentioned, and its ability to respond to emergencies at a local level.

Local authorities are accountable to communities and if we agree with the principle of subsidiarity, we should agree that we should, as much as possible, ensure that local authorities have as much power as they can handle and they can meet the basic needs of people. It is a little peculiar that at a time when the Government is introducing a property tax or family home charge, with people being told this comes from a need to provide services, one of the core services provided by local government is being taken from the equation. Not only are people being asked to pay the charge, but there will also be water charges, despite the fact that water will no longer come under the remit of local government or councillors. It is a genuine and progressive view.

I understand that managing water is complicated, as there are health considerations, environmental concerns, consumer views, engineering issues and EU requirements. We must ensure there is long-term investment in water and the best way to achieve this is through local government, with an assurance that local government has the tools to carry out the task. I have more to say, but I know other Senators from Fianna Fáil wish to speak to the section. I also want to hear the Minister's thoughts. I may return to make some of the points I cannot make now, but I imagine the Minister of State has the gist of what I am saying. This is about democracy, democratic accountability and ensuring that local government keeps as many powers and functions as possible. I will not be part of weakening the system of local governance as it would not be good for local democracy or the citizens of the State.

Senator Diarmuid Wilson: We oppose this section because of the manner in which the tender was awarded to Bord Gáis. There should have been a public tender and we do not see

what the rush was for except to divert awkward questions from the Taoiseach, the relevant Minister and the Government as a whole to Bord Gáis. We object to the company being formed on the basis that there should have been a public tender. Quite a few other companies would have been interested and they could have run it just as well as Bord Gáis.

We are also concerned about the job losses that may come about as a result of the formation of this company. I find myself in almost total agreement with Senator Cullinane's comments on the section. On Second Stage I alluded to the fact that the report from PricewaterhouseCoopers indicated that when the move to a new structure is complete, as a result of synergies, the number of people employed in providing local water and wastewater services will be significantly lower than the 4,278 people employed today. I also pointed out that the experience in Northern Ireland, when an equivalent experiment was launched in 2007, led to over 1,000 jobs being lost. If the same synergies were used here, we could lose up to 1,600 or 1,700 jobs.

We are very concerned, although I accept the Minister of State is equally concerned, about potential major job losses in this regard. The process should have received a public tender and the haste seems to have been meant to divert attention from awkward questions that could be put to the Taoiseach, the Minister and the Government as a whole.

Senator Paschal Mooney: I support the views expressed on this side of the House relating to the concerns about the setting up of Irish Water. The Government has not yet passed the Construction Contracts Bill which would secure subcontractors' rights to ensure they would fully benefit from the stimulus that will occur from installing water meters. I assume one will follow the other, but will the Minister of State comment on that issue?

What will be the relationship between the local authorities and the new board between 2014 and 2017? Will there be a secondment of staff from local government? That would be unfortunate as everything the Minister attempts to do when he comes before this House to speak about reform of local government is about handing more power to local authorities, with more democratic accountability of local councillors and integration of services into the local authority umbrella. Nevertheless, we are taking away a particularly important aspect of local government and there seems to be a general view towards establishing outside bodies. Will the Minister of State reassure the House that although there is an inevitability about this process, there will be some accountability and an opportunity for local public representatives to have as much of an input as national representatives? It should not be like the HSE, which only has an e-mail or phone number as a point of contact.

Senator Martin Conway: I have much respect for colleagues on the other side, but I disagree with them on this issue. For every litre of water that is purified in this country, another litre is lost. That means that anything between 40% and 50% of water which costs a fortune to cleanse goes to waste. We must operate in a different and better manner and should act bravely. This project will define us as a nation because water is a scarce resource throughout the world. There are many countries, particularly on the African continent, that would love to have our levels of water but much of this is wasted. It is a sinful waste in that context.

This new system may not be perfect, but it will be a damn sight better than what is being done. That is not the fault of the thousands of employees in the various local authorities and the problem is that there is no joined-up thinking. When an emergency arises, people must deal with scores of local authorities rather than one centralised body that can strategically think, plan and react. In that regard, the concept is good. Bord Gáis has been awarded the contract and

the company can speak for itself; it has been remarkably successful in its work to date and the projects in which it has engaged.

I would prefer that the contract be given to a tried and tested organisation that has proven credibility than to put it out to tender and have to put it up on the EU tenders database from which process the contract may be given to a company from abroad, about which we know a little, purely on the basis of price. The right decision was made to give it to a tried, tested and proven indigenous company.

Deputy Fergus O'Dowd: I thank the Senators for their contributions. To cut to the heart of this matter, this job is too difficult for individual local authorities to deal with it. The rate of unaccounted for water in different counties, taking the examples of Fingal and the greater Dublin area, is approximately 23% to 24%. In counties Roscommon, Kerry, Cork and other such counties the rate is in the high 50% bracket. Some counties do not have the capacity in their local base to do the work that needs to be done. New synergies among all the counties are needed to have one water authority which can deal universally, right across the board, with the issues of unaccounted for water.

In terms of charging for water and commercial water rates, the rate in County Kildare is €1.52 per 1,000 litres of water. One pays €1.52 for 1,000 litres of water. However, one pays double that rate, more than €3 for 1,000 litres of water, in the adjoining county of Wicklow. Therefore, there are significant differences between counties. We believe, as I believe does everybody to whom I have spoken on this, that what is needed is one universal commercial charge for the whole country with the same charge applying to all domestic consumers, irrespective of whether they live in Cork, Dublin or elsewhere, similar to the charge applied by any other energy entity such as the ESB. The ESB charge is the same, regardless of where in the country one lives. When one puts on a switch, one pays the same rate as other customers for doing that. In terms of areas which have poor electricity infrastructure, the rest of the country pays for that. Similarly, in terms of areas which need investment in water infrastructure, the rest of us will pay to upgrade the water supply in those areas. That is constructive solution to that problem.

I wish to deal with the issue of job losses. I wish to categorically state that there will be no job losses. Everybody employed in local authorities in the water services area will remain in his or her job. If people wish to move or to be seconded to Irish Water or Uisce Éireann, they can do that if they have the required skills and the knowledge and if there is a vacancy. People can transfer to this body if they want to and if they have the necessary skills. If people do not want to transfer to it, they will remain working in the local authority. There will be no involuntary redundancies. Nobody will lose his or her job. There is a new synergy between local government and Irish Water. A body which deals with all these issues, which is chaired by an independent chairperson, Kevin Foley, and Uisce Éireann and the four unions involved are represented on it. Therefore, there is accountability at that body and issues are being dealt with. There is a commitment that this is the way it will be, with service level agreements which will run to 2017, about which there is no issue.

On the question of the importance of local authorities and those working in this area to Irish Water, let us consider who got the job as the chief executive of Irish Water. The former county manager in Dublin, Mr. John Tierney, is the new chief executive and he has worked in county councils throughout the country in a career in the public service spanning 35 years. He has done a fantastic job in Dublin. He has worked day and night with his staff and with councillors.

Senator Denis Landy: A good Tipperary man.

Deputy Fergus O'Dowd: He is a good Tipperary man.

Senator Denis Landy: He is a north Tipperary man.

Deputy Fergus O'Dowd: The Members have a Tipperary-born Minister before them for his sins. I had no control over that and cannot get any votes down there. There is a real tangible connection with what is happening in Irish Water directly back down through local government. If the chief executive of Irish Water has worked body and soul in local government, his appointment is a perfect choice and will provide for an excellent transition.

The issue of the local councillor's access to Irish Water was raised. The local councillor currently has access to the local engineer and he or she will continue to have such access. There is no reason local authority members should be worried about this. I was a member of a local authority for 27 years and any time a serious water issue arose in a community area I was able to telephone the engineer to have the issue addressed. Local councillors are agents of their community and they will not be excluded from contact, accessibility or securing information. Irish Water needs local government elected members to work with it and advise it of issues, and that will happen. The next Bill on this area that will be introduced before the summer recess will outline the connectivity and accountability of Irish Water to local councillors. The water infrastructure will be based on the water basin districts. There is no reason regional assemblies should not deal with many of these issues.

Another important issue for local councillors is the drawing up of development plans and decisions on what will happen in an electoral area, of which water supply and planning will form a critical part. We have to set up provision for tangible practical relationships between the planning authority and Irish Water, which will be the case, and that will come under a second Bill on this area that will come before the House. Nobody is being disenfranchised. There will be better water infrastructure and a one-stop-shop nationally for all of that, but locally councillors will have the ability to communicate, get the facts and obtain results, as will Maggie Murphy, James Maguire or whoever lives next door to them.

One of the good aspects of Bord Gáis is that its customer service is second to none. In this body we will create between 350 and 400 jobs in a national customer service location. If a person has a problem, he or she can telephone the customer service section of the body and in that way there will be accountability. I have seen how an equivalent service operates in the United Kingdom and perhaps the Oireachtas committee or Members of the Seanad might go and examine such a service which involves a call centre. One can see when the calls are made the way they are logged in real time, the way they are followed up, the action to be taken on them, whether it is coded red, yellow or green, they are followed through and at the end of every day they are examined and account is taken of what happened, what is being done and the reason an issue has not been resolved. There will be a hands-on approach to issues and accountability back to the consumer.

I dealt with the issue raised by Senator Wilson last week, but I wish to respond to what he said. If one sets up a new entity, it will not materialise out of the air - there is no magic wand. The best thing to do is to ensure that it is a publicly owned entity. It must be a public utility. It cannot be a private one and on that we all agree. What better than to offer all the public utilities the job of taking on the running of Uisce Éireann. There were three major players who could

have done it - the ESB, Bord Gáis and Bord na Móna. There was no tender as such, no money or benefit in kind given to Bord Gáis for doing this. Obviously, its costs will have to be covered but there is no extra money sitting on its table for doing this. It was not about competition but about the ability of an organisation such as Bord na Móna, Bord Gáis or whichever entity to submit an application on how it would run the organisation, the issues it could deal with, its track record, how efficient it is and how it could do this. I want to stress that was the process and I hope I have got across those points to Members.

We are very concerned to ensure that the next Bill will clarify all these issues. I will come to the House before the summer recess and hope I will answer all the Members' questions to their satisfaction as best I can to make sure that the structures are in place. This will not be a HSE on wheels. This will be Uisce Éireann which will be accountable and transparent and provide for a wonderful natural resource which we have to protect and enhance. We are doing it the right way. I understand the Members' concerns and hope to be able to address them in the next Bill.

Senator David Cullinane: The Minister of State will forgive us for not wanting to take a leap of faith with him. I would much rather see what he spoke about now when we are making decision on the establishment of this body. The qualifications of the new CEO are not the issue. We all fully support what the Minister of State said regarding the new appointee. Many staff members of Waterford city and county council have good qualifications and are excellent public servants. I have only heard of one director of services on Waterford City Council who is a friend of mine taking up a position in Uisce Éireann. However, the issue is the breaking of the link between local authorities and the provision of water. The Minister of State cannot, on the one hand, have, as he put it, "those tangible connections" while, on the other, breaking them by taking the provision of water out of local government. I do not see how that stacks up.

There is an opportunity through the new local government structures - I disagree with the regional structures - to examine this issue. For example, Sinn Féin does not prefer the option of domestic water metering. International best practice demonstrates that district metering is a much better option to measure the quality of water, water usage and so on. The Government did not examine these options because this is about collecting taxes and taking in more money, not water conservation. One of the Minister of State's party colleagues in the House referred to the waste of water. I could not agree more that lots of water is wasted. In some instances, this is the responsibility of householders but the vast majority of waste is caused by the system itself. The Senator mentioned the word "sinful". Surely we have to then agree that if it is sinful that so much water is wasted and if 38% of every litre produced of the quality necessary to go into people's homes is lost in the system and only a small percentage is lost through waste by the householder, why is the Government penalising the householder and asking him or her to pay the cost? We are not fixing the problem, but the Minister of State will not concede this. The legislation represents an opportunity to charge citizens more money and raise taxes in a regressive way and in the most indirect way.

The Minister of State mentioned public services. Once the concept of a charge is introduced, as sure as night follows day, it will be much easier to privatise Uisce Éireann in time. This is one of the reasons the Government is opting for a single authority. That will happen, even though the Minister of State is shaking his head.

Deputy Fergus O'Dowd: The Senator should read the Bill. It is clear.

Senator David Cullinane: The Bill can say what it likes. If the Minister of State is saying

it is cast in stone that the service can never be privatised, I do not believe him. Many services have been privatised during the years. Once the concept of charging is introduced for a service, it will inevitably be privatised. The same happened with waste collection charges. When they were introduced, we were told it was about making sure people would pay as they use and reducing waste and not about privatising waste collection services. Only a small number of local authorities now provide such services. The principle of a charge was adopted and all the services were privatised. The same happened with water services in the United Kingdom and it will happen here because the Government is following that model.

I do not care what the Bill states. The logic of this process is that in time, because of what is happening, water services will inevitably be privatised. That is wrong. The fundamental issue is whether it is good or bad to establish a single utility. It is not the best or most cost-effective way to manage the service, staff and the assets, unless the Government intends to privatise it. A new national water governance framework such as that proposed by my party should be developed in partnership with government and local authorities to ensure the delivery of water and the commitment of all involved to ensure water conservation and comply with EU regulations. That would be the best model. I understand where the Government is coming from on this, even though I do not agree with it. I will oppose the section.

Senator Diarmuid Wilson: With regard to privatisation, it is my understanding the Government has decided to sell off a division of Bord Gáis and Irish Water will be a subsidiary.

Deputy Fergus O'Dowd: An independent subsidiary.

Senator Diarmuid Wilson: But a subsidiary nonetheless. There is genuine concern among the public that it will be next for privatisation. Would it not be wise, therefore, to reverse the decision to sell this division of Bord Gáis to allay these fears?

The Minister of State referred to two other semi-State companies - the ESB and Bord na Móna - that could have taken on Irish Water. Were they invited to examine the proposals?

Deputy Fergus O'Dowd: Yes.

Senator Jimmy Harte: I agree with the Minister of State wholeheartedly. I must go back to my friends in Northern Ireland and tell them how great a country they live in because I did not realise until I listened to Senator Cullinane's contribution how perfect a system they have compared to us. I did not know people in the North paid so little tax for so great a service. Sinn Féin's history in the context of the water board there is bleak. A total of 23,000 water meters were installed costing £1.5 million and then the party said they would not be used. God forbid that Sinn Féin would be in charge of water services here because of the way the party treated them in their own jurisdiction where one of its Ministers was proven to be using the board as a club for the boys in appointing someone. An employment tribunal found him guilty of religious discrimination. A Minister in the Oireachtas would be asked to resign immediately if that was proved, but the Northern Ireland Minister dismissed it and said the tribunal was not credible.

Acting Chairman (Senator Pat O'Neill): The Senator should confine his remarks to the legislation.

Senator Jimmy Harte: This relates to the setting up of Irish Water. I am glad it is transparent and accountable and no one has been accused of discrimination. Perhaps Senator Cullinane will acknowledge the actions of his own Minister in Northern Ireland. The setting up of a water

service is important to rural and urban areas in County Donegal where water is an essential component. Sinn Féin wishes that we do not pay for anything. Senator Cullinane has said we must encourage people to pay tax, while he is telling millionaires in Blackrock not to pay the property tax and let someone else pay it. He should be honest with the electorate and not come in here as usual with a print out from Stormont.

Senator David Cullinane: I will reply to Senator Harte in a few minutes.

Deputy Fergus O'Dowd: There is no intention to privatise water services. The investment in this sector is key to our strategic interests and the legislation restates the existing prohibition on the privatisation of water assets. Legislation provides that one cannot own a public water asset. Internationally, publicly owned utilities are the norm in the water sector. Revenue generated by Irish Water will be reinvested in infrastructure, as there is a significant requirement for investment and providing new infrastructure over the coming decade.

I have examined the issue of district metering to which Senator Cullinane referred. Every local authority uses district metering to monitor water usage. If the amount of water being consumed is greater than they expect, they close parts of the system to find the leak. Everybody can see a major leak when the main pipe bursts and water floods out, but the biggest problem is we never see the small or medium-sized leaks which could be going on forever. The problem is that on the public side there is leakage and unaccounted for water that is wasted but also on the private side. In the Senator's house or in my house, between the tap and the connection there can be significant leakage. Subject to correction that leakage can be as high as 20% or 30% in some cases. Private side leakage, that is, from the kerb into one's home, is another important reason for metering. It enables one to check whether there is leakage and wastage. District metering plays an important role, but it is not the answer. Therefore, I suggest the Senator withdraw his opposition to the section as it does not stand up to scrutiny. The only thing that makes sense is to cut back on water wastage. That is why on the private side metering is required as it is the only way of addressing the issue.

Question put:

The Committee divided: Tá, 24; Níl, 12.	
Tá	Níl
Bradford, Paul.	Barrett, Sean D.
Brennan, Terry.	Byrne, Thomas.
Burke, Colm.	Cullinane, David.
Coghlan, Eamonn.	MacSharry, Marc.
Coghlan, Paul.	Mooney, Paschal.
Comiskey, Michael.	Mullen, Rónán.
Conway, Martin.	Norris, David.
Cummins, Maurice.	Ó Murchú, Labhrás.
D'Arcy, Jim.	Power, Averil.
D'Arcy, Michael.	Reilly, Kathryn.
Harte, Jimmy.	Walsh, Jim.
Hayden, Aideen.	Wilson, Diarmuid.
Higgins, Lorraine.	

Keane, Cáit.	
Kelly, John.	
Landy, Denis.	
Moloney, Marie.	
Moran, Mary.	
Mulcahy, Tony.	
Mullins, Michael.	
Noone, Catherine.	
O'Neill, Pat.	
van Turnhout, Jillian.	
Whelan, John.	

Tellers: Tá, Senators Paul Coghlan and Aideen Hayden; Níl, Senators David Cullinane and Diarmuid Wilson.

Question declared carried.

SECTION 5

Question proposed: “That section 5 stand part of the Bill.”

Senator Jim Walsh: On a related matter, this section deals with the share capital. Are there provisions to ensure the corporate governance systems within this new company will not replicate the *laissez-faire* approach of Bord Gáis Energy? I am sure the Minister of State is aware that Bord Gáis Energy is one of the easiest companies in which to work and is very employee friendly on issues such as absenteeism, bonuses and things like that. I know people who were employed by the company and the management of ensuring that the company operated efficiently and effectively in accordance with good corporate governance was certainly lacking. My concern is that if that kind of ethos is applied to the new water company, unfortunate householders will be forced to put up with the inefficiencies within the company. The Government is moving it from the local authorities to a private company. It should operate on clear commercial lines of good business practice in the interest of ensuring that the consumer has a cost-effective service. From the contacts I have within the company, I know that Bord Gáis Energy is not a company that applies that ethos to any extent.

Senator Cáit Keane: I welcome the Minister of State. I have not yet spoken on this Stage of the Bill because I did not want to repeat exactly what was said the last time. I thank the Minister of State for giving the same answers today with regard to poverty proofing as he gave when the questions were raised by most Senators on Second Stage. That people who cannot afford to pay will not pay is an important issue. I thank him for repeating it again today, which is why I have not spoken on it today.

Section 5(1) states: “The subsidiary shall be known, in the Irish language, as Uisce Éireann and, in the English language, as Irish Water.” I compliment the Minister of State on continually

referring to it today as Uisce Éireann and not referring to it as Irish Water. An article in today's *Irish Independent* did not refer to Uisce Éireann, which may be because the Bill has yet to be passed and it is becoming commonly known as Irish Water. It is under the auspices of Bord Gáis Energy, which is an Irish language name. Given that the Bill states: "The subsidiary shall be known, in the Irish language, as Uisce Éireann and, in the English language, as Irish Water" and presuming that stays as it is, it will only be when writing in Irish that one would use "Uisce Éireann" and when writing in English one would use "Irish Water".

I ask the Minister of State to change this section to ensure that the name of the company will be Uisce Éireann - it has nothing to do with the Irish language. If the section stays this way Uisce Éireann would only be used when the Irish language is used. It is an important differentiation to make. I have pointed out that "Uisce Éireann" is not being used in today's newspaper. It is important to get it straight: the name of the company is Uisce Éireann. It has been agreed that it will be known as Uisce Éireann. If the company wants to, it may put Irish Water in small print under it on its headed notepaper for people who do not understand, but that is the name of the company as has been agreed.

I congratulate the Minister of State and Bord Gáis energy on the appointment of Dr. John Tierney. He has a BA and an MA in public management and a doctorate in governance. We could not get a man better qualified for the job, not alone for his academic qualifications, which I would regard as secondary to his practical experience. A man with such on-the-job experience is a very valuable asset. We are talking about local authorities and this man knows local authorities inside out.

Acting Chairman (Senator Pat O'Neill): While I know the Senator is saying complimentary things, we should not mention in this House somebody who is not here.

Senator Cáit Keane: He was mentioned as being the chief executive.

Acting Chairman (Senator Pat O'Neill): Yes, but the Senator is passing comment now.

Senator Cáit Keane: I am passing comment on the public - not private - management aspect of Uisce Éireann.

Senator David Cullinane: This is one of the key sections of the Bill. I know many of the comments were made on the previous sections, but it is important for me to restate our opposition to the establishment of Irish Water. I will not go back into the issues we have raised, to which the Minister of State has responded in the best way he can.

7 o'clock

Essentially, if section 5 was to be passed, any attempt to oppose sections 6 to 17, inclusive, would be futile because section 5 is the main body of the Bill.

I must highlight again two issues that are of concern. Much of the data which my party has seen shows that district metering is better than domestic metering. That is the information available to us which I must restate.

Acting Chairman (Senator Pat O'Neill): Senator Cullinane raised that point on the previous section.

Senator David Cullinane: I am speaking to the section. This is the section which estab-

lishes the water services. Regardless of what was said previously, I could go on for a while, but I will not.

Acting Chairman (Senator Pat O'Neill): Senator Cullinane is repeating himself and I will not allow him to do so.

Senator David Cullinane: Under any section, one can repeat arguments already made. With respect, I am speaking to the section. As I stated, if the Acting Chairman was listening, I will not repeat the arguments. I am simply stating my party's core opposition to it.

I must refer to some of the accusations made about a former Minister in the Assembly, Mr. Connor Murphy, MP, MLA. The person who was in the House is now not here. I am sure Mr. Murphy is well able to speak for himself, but what I can say is that, as the Minister of State, Deputy O'Dowd, will be aware, there were serious issues in regard to the board that was set up in the North by that Minister and then disbanded by him for very good reasons. The Minister of State will also be aware that what my party did in the North, collectively, with other political parties, was to prevent the introduction of water charges. That will continue to be my party's position in the North in order that people do not have to pay water charges.

Acting Chairman (Senator Pat O'Neill): The Senator is deviating.

Senator David Cullinane: When Senators on the other side of the House speak of what is the reality in the North, they should at least check their facts and know exactly what is the position. The position is, because of efforts made by my party, there are no water charges in the North.

Deputy Fergus O'Dowd: I repeat, district metering is already in place. If Senator Cullinane wishes to give me some correspondence on the point he makes, I would be happy to read it.

The Government has approved the Bill containing both names. Absolutely nothing would prevent the company from using the Irish title. I concur with the Senator's view. We speak not of "board horse" but of Bord na gCapall, not of "board welcome" but of Bord Fáilte and not of "board turf" but of Bord na Móna. I know where I stand on this one and I know where the Senator stands. I would be happy to discuss it further with the new CEO and everybody else.

I am not quite clear about the issue with Bord Gáis the Senator from Wexford made. If he has a point about it, he should make it to them. It is not germane to this Bill in the context of whatever the issues are.

What is germane is that the company is accountable. It will be a dynamic organisation. There is no question but that the regulator is in place to police what will be the costs. I stress that the regulator will fix the price. Bord Uisce Éireann can propose whatever cost increases it wants, but they will have to be gone through in detail by the regulator, the regulator will have to make a finding, then, I presume, that finding will go out for public consultation and that decision will certainly be debated and discussed. There is no way there will be any operational inefficiencies which are brought to the attention of the regulator that any company that it regulators will get away with - that is the purpose of the regulator. I hope that assures the Senator in that context.

Senator Jim Walsh: I am afraid it does not reassure me at all. All we need to is look at

the regulator in other spheres in this country. It would be fair criticism to state that regulators do not act in the interests of the consumer. There are many who would argue that the regulators are adding to the consumers' costs because of the manner in which they administer. I was previously a member of the relevant joint committee and we brought some of these regulators before us. I would say they were among some of the most unimpressive persons to come before us during my last term in this House and it concerns me.

The Minister of State is setting up a monopoly and all he has to depend on is the regulator. He dismissed what I stated about Bord Gáis.

Deputy Fergus O'Dowd: I did not dismiss it.

Senator Jim Walsh: Maybe the Minister of State did not. In this section he is taking shares - the State will own the majority of the shares - but there are no voting shares. Therefore, his impact on the operations of the company are almost nil. I can understand reasons behind this. All I am saying is there is a culture in Bord Gáis and the Minister of State might consider getting in very good quality consultants to evaluate the system of operation there. I reckon that considerable sums of money could be saved-----

Acting Chairman (Senator Pat O'Neill): I must intervene. The Senator spoke earlier on-----

Senator Jim Walsh: With respect to the Acting Chairman, I am entitled to speak on the section.

Acting Chairman (Senator Pat O'Neill): The Senator is acting on hearsay. He has no proof to be brought before the House.

Senator Jim Walsh: It does not matter. It is a fair criticism.

Acting Chairman (Senator Pat O'Neill): No. There is no relevance.

Senator Jim Walsh: The Minister of State or anybody else-----

Acting Chairman (Senator Pat O'Neill): It is nothing to do with the name in the Water Services Bill.

Senator Jim Walsh: It has. The controlling share for the operation of this new company is held by Bord Gáis. Am I correct?

Acting Chairman (Senator Pat O'Neill): That is what the Bill states.

Senator Jim Walsh: Therefore, like any subsidiary of any company, the parent company's ethos can filter into the operations of this company.

Acting Chairman (Senator Pat O'Neill): I am merely ruling that the Senator is making allegations against the parent company about inefficiencies on which he has not brought proof to this House.

Senator Jim Walsh: It is open to any Member of this House to criticise any public body and if the Acting Chairman is getting to the stage where he will close down reasonable debate on public bodies, which are set up in the interests of State and which are not meeting the best commercial practices that should be applied to them, it is open to any Member to highlight that

fact. I am inviting the Minister of State to not take my word for it - I would not ask him to do that - but have it evaluated to see how effective that company is operating from an efficiency and cost-effectiveness point of view. No doubt there could be considerable savings. My concern is that if that is transferred into this new company, Uisce Éireann, it will have a significant impact on the charges that will be applied.

I am not happy with the structure. I would much prefer it was left with the local authorities. Having said that, the Government has taken this route. We owe it to the people who will be paying water charges. They will also be paying for the overheads. It concerns me.

This is not a scientific operation. The company will take over the infrastructure which is already in place. It will supply water to houses. People will have no alternative, if they want water, but to deal with this company. It is for the chairman or the Minister of State not to be taken in absolutely. This is the time to act, not when the genie is out of the bottle down the line and consumers are getting bills for €500, €600, €700 or €800 - whatever it will be in time - when, perhaps, half of that figure, if the company was operated effectively, would be appropriate. I am looking to see the disciplines that are within the Bill that can achieve this. What I see is that the State is taking a share-holding, opting out and leaving it to a company, the performance of which from the point of view of best practice is highly questionable. That is dangerous.

I am looking to the Minister of State to respond to me on what other factors he can introduce to ensure that the customers are not ripped off and get the best value for money. That is not easy when there is a State, or even a private, monopoly. Once there is a monopoly in this area, it is difficult. I cannot see how there can be other than a private monopoly, but I would prefer a system whereby Bord Gáis, or whoever, could apply to operate the infrastructure and charge the customers for a licensed period. At the end of the licensed period an evaluation could be undertaken to see if value for money was being achieved and it would be open to the Government to decide whether to put it out to tender. No doubt there are many private companies which could take on this job and, perhaps, do it much better.

Acting Chairman (Senator Pat O'Neill): The Minister of State clarified that issue.

Senator Jim Walsh: I ask the Minister of State to look at these options. It strikes me, from the structure he has set up, that he will not have that option down the line. That is my concern. This is the section that deals with it because it is the section that contains the shareholding and it is the shareholding that will determine what happens. It looks as if the State will be a spectator at this game and I am merely concerned from the point of view of the consumer. I am not laying this at the doorstep of the Minister of State, but as a state we have not been particularly good over a long period of time at getting best value in a range of areas. Look at what lawyers and the medical profession charge. The State has done nothing about it, although Competition Authority reports have been sitting on desks for decades and more. It will be a very strong bone of political contention when these people get going and efficiencies within the company will be highlighted because people will be charged for water and will know inefficiencies in the overheads will be part of the charge. Will the Minister of State examine this and take it seriously? I am not raising this issue just to harangue Bord Gáis but genuinely from evidence I have had from a number of people who worked in the company. It leaves much to be desired.

Senator Terry Brennan: I must apologise for not being here having asked a brief question some days ago. Perhaps the Minister of State can confirm the answer for me. He has probably already answered it. I am deeply concerned about what will happen when people, through no

fault of their own, are unable to pay the charges. I am thinking of my previous *alma mater* and the question of disconnecting electricity and houses being without it. It was a last resort to disconnect people. As people had an opportunity to use gas or a fire, they were never as stuck as I imagine a house would be if it were without water for a day, never mind a week or a fortnight.

Deputy Fergus O'Dowd: Many of the points made by Senator Walsh are about a company which he is entitled to bring before the Oireachtas committee dealing with energy and interrogate it on the issues about which he is concerned. It is not my job to accept or reject what he says. He needs to make his points to Bord Gáis. I am happy to ensure he meets the company to discuss the points he has raised, have them dealt with and see whether they stand up. We are not discussing Bord Gáis. We are speaking about Uisce Éireann, Irish Water, which will be an independent subsidiary of Bord Gáis; therefore, it will not be a part of it and none of the operational costs of Bord Gáis will be part of Irish Water.

We have all been critical of regulators, which is why it is so important to have transparency and accountability about everything the regulator will do. I have already stated it must be the case that the regulator will deal with all of the issues and advise the Government on many of them. I must stress there is no way inefficiencies in Uisce Éireann will be allowed. The regulator will not do this. It will have to strip out any other cost.

To answer Senator Brennan, it is incumbent on us as a Government to explain the affordability of the water and how these issues will be dealt with. We have met the Society of St. Vincent de Paul, Fr. Healy and others and are happy to listen to what they have to say, as I told Senator Cullinane. I cannot foresee a case where people will be cut off. I can see cases where people who were not paying but could pay would be pursued vigorously. If one can afford to pay one must pay and that is it. There will be no hiding place. The Departments of Social Protection, Public Expenditure and Reform and the Environment, Community and Local Government and the Commission for Energy Regulation are all discussing these very important issues. As with electricity, it will be possible to have an easy payment programme. It will be important to put in place strategies to deal with individual cases. This is the only way it can be done.

Senator Michael Mullins: I welcome the clarification by the Minister of State on the fact that Uisce Éireann will be a subsidiary of Bord Gáis and that inefficiencies in the existing structure will not be subsidised by this entity. I support the call of the Minister of State to Senator Walsh to raise these issues with Bord Gáis. I regard it as one of the more efficient semi-State organisations, but if he is aware of issues and inefficiencies, it is incumbent on all of us to ensure they are addressed and corrected. The success of any organisation depends very much on the strength of the CEO and I very much welcome the appointment of John Tierney as the CEO of Uisce Éireann. He has vast experience in the local authority system.

An Cathaoirleach: This is not relevant to the section.

Senator Michael Mullins: The success of this operation depends on the CEO and the fact he honed many of his skills in my county of Galway over his long career in local government certainly adds to his suitability for the position.

An Cathaoirleach: This is not relevant to the section.

Senator Michael Mullins: We are discussing the establishment, efficiency or otherwise and the potential for success of this organisation.

An Cathaoirleach: We are discussing the name and the share capital.

Senator Michael Mullins: I very much welcome the clarification the Minister of State has given on this section.

Senator Jim Walsh: Although I have no difficulty in meeting the company, I do not consider it to be my job, or that of any other Member, to meet and tell a company how it should function. It is our job where State companies do not perform. Many State companies do not perform and I have been a big critic of our public service for a long period. As a consequence, people in dire financial difficulties pay well above what they should in many areas, electricity being one and gas being another. These are necessary expenditures for people and we must hone in on them. I take the point made by the Minister of State that it will be an independent subsidiary. As I read it - correct me if I am wrong - there will be only one voting share which will be held by Bord Gáis. I presume Bord Gáis will appoint directors who will exercise this controlling vote. Is it stipulated whether these directors will be executives of the company or people with external commercial and business experience? Who will be the chairman? They will have much influence on the company. I agree with Senator Mullins that the CEO of any company, private or public, has a huge influence on how companies are run, which is why they are paid so well. I was surprised because I would have thought the manager of the city of Dublin who has a diversity of functions-----

An Cathaoirleach: We are not discussing the manager of this entity.

Senator Jim Walsh: I know. I am not either and I ask the Cathaoirleach to bear with me. The diversity of functions and responsibilities would be in excess of this position. Therefore, it surprises me that somebody would come from that to what I would expect to be a lower salary as a CEO of Uisce Éireann.

An Cathaoirleach: We are not discussing that issue at all.

Senator Jim Walsh: If it is not a lower salary-----

An Cathaoirleach: We are on section 5 which deals with the share capital.

Senator Jim Walsh: -----I would be concerned we are already beginning to incorporate excessive pay levels into the system of Uisce Éireann which will have a knock-on effect for customers and consumers.

An Cathaoirleach: The Senator is not speaking to the section.

Senator Jim Walsh: Now is the time for us to stand up for these people, not when the event has passed us by and we find people are lumbered with excessive costs which they should not have. I hope all Members share this point.

Deputy Fergus O'Dowd: It is very important that we get it right and I accept it is the view of the Senator that we must get it right and avoid the pitfalls and traps which can arise in State agencies and private companies. I will be happy to come back to him on Report State with the details on the questions he has raised. He is entitled to know the salary of the chief executive officer.

An Cathaoirleach: With all due respect we are not discussing this issue on the section.

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Deputy Fergus O'Dowd: That is fine, but the question was raised and I shall not avoid giving an answer. The House is entitled to know the facts and I shall be back with them. I stand over transparency and accountability and I am sure the Cathaoirleach does also, but let us get it right. We must get this matter right. The measure will not work if we do not cross all of the t's and dot all of the i's and foremost among these are transparency and accountability.

In terms of the points made about Bord Gáis by Senator Walsh, there is no reason he should not tell the company. I have always found Bord Gáis to be professional and available at all times to deal immediately with all the issues I brought to its attention. I am sure that the Senator will have the same experience if he contacts the board.

Question put:

The Committee divided: Tá, 23; Níl, 10.	
Tá	Níl
Bradford, Paul.	Byrne, Thomas.
Brennan, Terry.	Cullinane, David.
Burke, Colm.	Daly, Mark.
Coghlan, Eamonn.	MacSharry, Marc.
Coghlan, Paul.	Mooney, Paschal.
Comiskey, Michael.	Norris, David.
Conway, Martin.	Ó Murchú, Labhrás.
Cummins, Maurice.	Reilly, Kathryn.
D'Arcy, Jim.	Walsh, Jim.
D'Arcy, Michael.	Wilson, Diarmuid.
Harte, Jimmy.	
Hayden, Aideen.	
Higgins, Lorraine.	
Keane, Cáit.	
Kelly, John.	
Landy, Denis.	
Moloney, Marie.	
Moran, Mary.	
Mulcahy, Tony.	
Mullins, Michael.	
Noone, Catherine.	
van Turnhout, Jillian.	
Whelan, John.	

Tellers: Tá, Senators Paul Coghlan and Aideen Hayden; Níl, Senators David Cullinane and Diarmuid Wilson.

Question declared carried.

Section 6 agreed to.

SECTION 7

Question proposed: “That section 7 stand part of the Bill.”

Senator Diarmuid Wilson: I am opposing this section.

Question put and declared carried.

Section 8 agreed to.

Question, “That section 9 stand part of the Bill,” put and declared carried.

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

Question, “That section 11 stand part of the Bill,” put and declared carried.

SECTION 12

Question proposed: “That section 12 stand part of the Bill.”

Senator Paschal Mooney: As we are being told by Ministers that the country is broke, from where do they expect to borrow the money? The section states: “The Board may, for the purposes of this Act ... borrow money (including money in a currency other than the currency of the State) from such persons as it considers appropriate, whether by means of the issue of debentures (or other debt security) or otherwise.” Where is it proposed to borrow this money? Will it add to the national debt? Is there a particular reason the money will be borrowed? Bills are sometimes self-financing or otherwise not a burden on the Exchequer. I am not trying to be flippant but am raising the question in the context of why it would be necessary to borrow the money and what will be done with it.

Deputy Fergus O’Dowd: Any moneys borrowed will be off the State balance sheet. Therefore, the borrowing, which will be a maximum of €500 million at any time, will be off the Government balance sheet and will not be on the State bill, as such.

As regards different currencies, it means that when one is doing the sum as to whether the figure is under €500 million, one will use whatever the exchange rates are at the time. If one is borrowing in dollars, it has to be converted back into euro. The money is used for infrastructure or for whatever purposes the company wishes to borrow. Obviously, it will have to go to the market for this. It is important that it is as unencumbered as possible when it goes to the market to borrow significant sums of money for its operations and for improving infrastructure. If we were to have the money we need to keep our capital investment going, we would need €600 million per year. As we do not have anything near this, that is why the money is being borrowed.

Senator Paschal Mooney: I am grateful to the Minister of State for his reply. What prompted the question is that in recent weeks, the European Investment Bank has provided significant sums of money for upgrading infrastructure, including water pipes. I assume that would also be part of the borrowing. If there was a borrowing requirement, would it come from the EIB or is that in a different context? Would the EIB provide the money or would one have

to go to the markets to obtain it?

Deputy Fergus O'Dowd: I can get the answer to that question before Report Stage. I presume the company will go to the markets, but if somebody will lend them money, that is fine. I do not have the answer to that question, but I will get it for the Senator.

Question put and declared carried.

Question, "That section 13 stand part of the Bill," put and declared carried.

Question, "That section 14 stand part of the Bill," put and declared carried.

Question, "That section 15 stand part of the Bill," put and declared carried.

Question, "That section 16 stand part of the Bill," put and declared carried.

Question, "That section 17 stand part of the Bill," put and declared carried.

SECTION 18

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

Amendment No. 5 not moved.

Question proposed: "That section 18 stand part of the Bill."

Senator David Cullinane: I wish to raise with the Minister of State the issue of district metering. In an earlier response based on information from one of his officials, the Minister of State stated there are district metering systems in the State. He is right as this is the case. While such metering does not extend across all local authorities, we do have such a system in place. As I stated previously, it is the most effective way to measure wastage and usage in the system and I would much prefer to see that than to see the introduction of domestic meters. One authority that has this system in place is Laois County Council. That model has proved itself to be a much better way to do this. Spikes in usage can be observed and can then be better rectified. This allows for the pinpointing of leaks across the system, which is important if one is trying to reduce waste in the system.

Essentially, whatever view one might have about water charges or even the setting up of Uisce Éireann, all Members desire the most efficient management of the water system. Whatever about Members' views on the charges, they all desire to have the best use made of our water, as well as water conservation. However, in respect of management, the pinpointing of leaks and ensuring the huge amount of leakage within the system is dealt with in the best way possible, I believe district metering to be better than domestic metering. Sometimes, debates like this are false because while the Minister might assert that domestic is better and I might respond by suggesting district metering was better, we often lack the requisite reports and analysis to enable us to share equally, discuss and debate the matter in the context of bringing forward this legislation. Perhaps it is a weakness within the legislative system that so doing is not part of it and that such assessments are not carried out when sought by legislators to inform them when making the decisions. Best practice should be considered, where possible, and based on the research my party and I have done and on foot of information we have received from the Oireachtas Library and Research Service, my understanding is that district metering is a very good system. I already have cited the example of Laois County Council. I will not labour the

point because Members wish to deal with all the Bill's sections and amendments. In fairness, the Minister of State has been very good in responding to them. I expect the Minister of State has taken on board my comments, even if he does not agree.

Deputy Fergus O'Dowd: If it is helpful to the Senator, I have seen a local authority training manual in which reference is made to training staff for metering, including district metering. I understand the local authorities have a training centre where all this is done. If it is helpful, I would be happy to observe what is happening in Laois County Council. I have visited Galway and have observed what happens there. Were every seat in this Chamber to represent a house that was on a district meter, the local authority would know there was water leakage somewhere in here but would not know precisely where. Consequently, while the district meter enables it to ascertain the total area as to where the loss might be, to find the individual leak, it would be obliged to test down each row. One often sees the workers concerned at different intersections where they are turning water on and off. Consequently, I do not believe there is any contradiction or issue about district metering being effective and important. While district metering will tell one where the totality of the loss is, it will not identify the actual location either by street or by house. That is the point. It is the same in the case of electricity, if that is helpful.

Question put and declared carried.

Question, "That section 19 stand part of the Bill," put and declared carried.

Question, "That section 20 stand part of the Bill," put and declared carried.

Question, "That section 21 stand part of the Bill," put and declared carried.

Question, "That section 22 stand part of the Bill," put and declared carried.

Question, "That section 23 stand part of the Bill," put and declared carried.

SECTION 24

Senator David Cullinane: I move amendment No. 6:

In page 12, between lines 27 and 28, to insert the following subsection:

"(4) (a) This section shall not be commenced until such point as the Social Inclusion Division of the Department of Social Protection have carried out a poverty impact analysis study.

(b) Such a study will have regard to—

(i) whether the impact of the imposition of charges referred to in *subsection (3)(a)* would have any significant impact on the income levels within lower and medium income groups,

(ii) whether the impact of such charges referred to in *subsection (3)(a)* would be likely to cause deprivation,

(iii) whether the effect of the charge would be such as would cause people to be deprived of two or more of the items identified in the Survey on Income and Living Conditions (SILC) as indicators of poverty.

(c) The Minister shall have regard to such a study before commencing this section, and shall take appropriate measures to amend this legislation pursuant to such a study.”.

Amendment put and declared lost.

Question proposed: “That section 24 stand part of the Bill.”

Senator David Cullinane: While amendment No. 6 has already been discussed, I wish to restate my position. I acknowledge that in the discussion on poverty proofing, the Minister of State agreed with the principle of doing it. However, he might recall the last discussion by Members on the issue during a debate on the household charge. I believe Senator Norris also participated in that debate. At the time, Members considered the criteria that were set down in respect of the indicators of poverty, whereby people are deemed to be deprived if they lack two or more items that were set out. Although some of the items included incited some amusement, at the time it was a genuine attempt by the Combat Poverty Agency to try to establish the real indicators of poverty. I wish to restate the position. When Members make such decisions, they must make sure they are conscious of the impact of that decision on families who are struggling and, in particular, on families which are either in poverty already or above the poverty line. I understand the Minister of State has indicated the Government may consider how low-income families will be supported and so on in the context of this measure but Members again are being asked to take a leap of faith.

I do not know what, if any, supports will be put in place to help those who may be unable to pay. I do not know what, if any, supports will be put in place for low-income families or for those who are in receipt of social welfare payments. However, I do know there will be a charge, which will be in addition to the property tax and that many families simply will be unable to pay it. Whatever about the position in which ordinary families on middle incomes will find themselves, it is fair to state that many lower middle income and low-income families will find this to be disproportionately tougher. I wish to restate that point as it is one of Sinn Féin’s core arguments against the Bill. I again remind the Minister of State that if such poverty-proofing analysis has been carried out, such information might be provided for Members. When Members table such amendments in advance and if such analysis has been carried out, the Government could provide them with the methodology used to so do.

Deputy Fergus O’Dowd: If it is helpful to the Senator, the next legislative item to be introduced will deal with a lot more information than is available in this regard. However, I undertake to revert to the Senator with greater clarity in respect of what is happening and on what will be the principles. In order not to mislead the Senator, I refer to the issues that must be examined. For example, as the Senator noted, the issue of family size will be very important because five people would use a lot more water than would two. Consequently, a significant issue would arise in respect of a family with low income and high numbers. While many issues must be gone through in this regard, in so far as it is possible I undertake to revert to the Senator as soon as possible to go through all those issues with him and to assure them that inasmuch as they can be, they all will be as transparent as I can make them.

Question put and declared carried.

Question, “That section 25 stand part of the Bill,” put and declared carried.

Question, “That section 26 stand part of the Bill,” put and declared carried.

Seanad Éireann
NEW SECTION

Senator David Cullinane: I move amendment No. 7:

In page 13, before section 27, to insert the following new section:

“27.—Section 12 of the Local Government (Financial Provisions) Act 1997 is amended by the insertion of a new subsection (3):

“(3) Section 4 of the Local Government (Financial Provisions) (No. 2) Act, 1983, is hereby amended by the substitution of the following subsections for subsection (1):

‘(1) Section 2 of this Act shall not apply to the following categories of persons—

(a) residents of a building vested in a Minister of the Government, a housing authority (within the meaning of the Act of 1992) or the Health Service Executive,

(b) persons who, in the year in which the liability falls, if on that date he or she is in receipt of any of the following payments from the Department of Social Protection:

(i) jobseekers’ allowance,

(ii) jobseekers’ benefit,

(iii) supplementary welfare allowance,

(iv) family income supplement,

(v) farm assist,

(vi) old age non-contributory pension, provided the recipient is not also in receipt of an occupational pension,

(vii) disability allowance,

(viii) disablement benefit, or

(ix) blind pension,

(c) persons who, in the years 2013, 2014, and 2015, are able to satisfy the relevant local authority that he or she has not been able to pay more than 75 per cent of his or her mortgage repayments in the preceding year on their residential property.’ ” ”.

Again, this goes back to the issue that has just been debated. While I acknowledge the Minister of State intends to introduce separate legislation to deal with this matter, Sinn Féin has set out what it would wish the Minister of State to do in this regard. While Sinn Féin disagrees with the charge in principle and across the board, if the Government intends to pursue it and push ahead with domestic water charges, Sinn Féin wishes to ensure that as well as possible, low-income families, people in receipt of social welfare and lower middle income families are safeguarded and protected. The latter group has been squeezed as a consequence of the last six budgets. All Members will accept this, regardless of what positions they might have taken on

them.

This amendment takes into consideration those who are on jobseeker's allowance, jobseeker's benefit, supplementary welfare allowance, family income support, farm assist, the old age non-contributory pension, disability allowance, disablement benefit or the blind pension. They should be exempt from the charge. I appreciate the Minister of State indicating that he will come back to us with more detail and perhaps we might discuss that in the House. As public representatives we hold clinics and know the pressure people are under and while we in the Opposition are aware of the difficult choices Governments must make, we must deal with those families who come to our clinics in real distress because of their financial circumstances and any charges that make it more difficult for them. It is time for us to say that these people simply cannot afford these charges and the Government must look at this. That is what we have tried to do in this amendment. We are being prescriptive in what we want to see. Clearly the Government has its own position. I am grateful, however, for the Minister of State's indication that he will speak to us in more detail about the Government's intentions.

Deputy Fergus O'Dowd: I welcome the Senator's comments and will return to these issues.

Amendment, by leave, withdrawn.

Question, "That section 27 stand part of the Bill," put and declared carried.

Question, "That section 28 stand part of the Bill," put and declared carried.

SECTION 29

Question proposed: "That section 29 stand part of the Bill."

Senator Paschal Mooney: I note the Minister for the Environment, Community and Local Government may give a direction in writing to the board on the performance by the board or the subsidiary and that he may, by direction in writing, amend or revoke a direction under this section. The Bill then goes on to say in subsection (3) that the Minister shall not give a direction under this section without first obtaining the approval of the Minister for Communications, Energy and Natural Resources. Is there a potential conflict in that regard? Under what circumstances would the Minister for the Environment, Community and Local Government issue a direction that would acquire the approval of the Minister for Communications, Energy and Natural Resources? Is it because the Minister for Communications, Energy and Natural Resources would have an over-arching role as the line Minister responsible for Bord Gáis and the fact this is a subsidiary of Bord Gáis? Is that the sequence of events? It is unusual for a Minister to be unable to give a direction about an area under his mandate without first seeking the approval of a Cabinet colleague.

Deputy Fergus O'Dowd: This Bill enables us to establish Uisce Éireann and it is not envisaged this will be in the full Bill when it is set up. It is to ensure that the board is required to comply with such policies of the Government as are specified in the direction. It is a prudent measure inserted at this stage to ensure Government policy is adhered to as we progress and the company is set up. The requirement to consult the Minister for Communications, Energy and Natural Resources is purely because Bord Gáis is technically his responsibility. That is purely temporary and to ensure the policies are what we want them to be at this stage. It is not intended the Minister will direct the company in the later phases after the next Bill.

Question put and agreed to.

Amendment No. 8 not moved.

Title agreed to.

Bill reported without amendment.

Question put: “That the Bill be received for final consideration.”

The Seanad divided: Tá, 24; Níl, 9.	
Tá	Níl
Bradford, Paul.	Cullinane, David.
Brennan, Terry.	Daly, Mark.
Burke, Colm.	MacSharry, Marc.
Clune, Deirdre.	Mooney, Paschal.
Coghlan, Eamonn.	Norris, David.
Coghlan, Paul.	Ó Murchú, Labhrás.
Comiskey, Michael.	Reilly, Kathryn.
Conway, Martin.	Walsh, Jim.
Cummins, Maurice.	Wilson, Diarmuid.
D’Arcy, Jim.	
D’Arcy, Michael.	
Harte, Jimmy.	
Hayden, Aideen.	
Higgins, Lorraine.	
Keane, Cáit.	
Kelly, John.	
Landy, Denis.	
Moloney, Marie.	
Moran, Mary.	
Mulcahy, Tony.	
Mullins, Michael.	
Noone, Catherine.	
van Turnhout, Jillian.	
Whelan, John.	

Tellers: Tá, Senators Paul Coghlan and Aideen Hayden; Níl, Senators David Cullinane and Diarmuid Wilson.

Question declared carried.

8 o'clock

Question put: "That the Bill do now pass."

The Seanad divided: Tá, 24; Níl, 9. Tá Bradford, Paul. Brennan, Terry. Burke, Colm. Clune, Deirdre. Coghlan, Eamonn. Coghlan, Paul. Comiskey, Michael. Conway, Martin. Cummins, Maurice. D'Arcy, Jim. D'Arcy, Michael. Harte, Jimmy. Hayden, Aideen. Higgins, Lorraine. Keane, Cáit. Kelly, John. Landy, Denis. Moloney, Marie. Moran, Mary. Mulcahy, Tony. Mullins, Michael. Noone, Catherine. van Turnhout, Jillian. Whelan, John. Níl Cullinane, David. Daly, Mark. MacSharry, Marc. Mooney, Paschal. Norris, David. Ó Murchú, Labhrás. Reilly, Kathryn. Walsh, Jim. Wilson, Diarmuid.

Tellers: Tá, Senators Paul Coghlan and Aideen Hayden; Níl, Senators David Cullinane and Diarmuid Wilson.

Question declared carried.

Adjournment Matters

Local Authority Funding

Senator Martin Conway: In recent years the funding available for various road schemes has been significantly reduced. Last year the local road improvement scheme was suspended. Under this scheme, families on privately owned roads that had fallen into disrepair could come together to fund 15% of the cost of bringing the road up to standard. The funding would then be supplemented by 85% funding from the relevant local authority which could, following the completion of the works, take the road in charge.

Similarly, under the local community road improvement scheme, local authorities would provide 75% matching funding, through central government funding, provided a local community could provide 25% of the funding required for works to a road. This scheme allowed communities to come together and created a meitheal type environment in which local people worked together to raise funding for a road scheme. This funding would then be matched by the local authority in a spirit of partnership. Community involvement in road infrastructure is positive as it gives communities ownership of roads and often results in the development of community sports facilities, community centres, facilities for older people and so forth. Moreover, the local road schemes have resulted in a high level of partnership between communities and local authorities.

I understand local authorities have been contacted by the Department seeking expressions of interest in road schemes based on a funding ratio of 50:50. In other words, the local authority would provide 50% funding for a scheme and this would be matched by a 50% contribution from a local community. While I understand the Department is stretched in the current economic climate and must try to find novel ways to fund roads, local communities have been ravaged and will struggle to find such funding for roads projects. With thousands of people emigrating and hundreds of thousands of people on unemployment benefit, the contribution of local communities has been effectively doubled. Where a community can come up with 25%

of the cost of funding a project, it should trigger a community involvement road project.

I hope the Minister of State has positive news, even if it is that the scheme will be introduced as a pilot project or that such road projects may not be proceed without central government or departmental approval. It is unrealistic to expect community groups to come up with 50% of the cost of a project. I look forward to the Minister of State's reply.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O'Dowd): I thank the Senator for raising this matter which I am taking on behalf of my colleague, the Minister for Transport, Tourism and Sport, Deputy Leo Varadkar.

The improvement and maintenance of regional and local roads is the statutory responsibility of each local authority in accordance with the provisions of section 13 of the Roads Act 1993. Works on such roads are funded from local authorities' own resources supplemented by State road grants. The initial selection and prioritisation of works to be funded is also a matter for the local authority.

The main focus of each county council's roads programme are the restoration, maintenance and improvement programmes, which deal with the maintenance and improvement of regional and local roads. In the normal course of a county council's road works programme, repairs to minor county roads would only be considered towards the end of the programme after more heavily trafficked routes had been dealt with. The purpose of the community involvement scheme is to permit local participation in the repair of roads.

All local authorities were issued a circular in 1994 requesting them to investigate the potential to promote and harness community support for road works in their respective areas. Typically, community support has involved activities such as minor road works and drainage or a financial contribution towards road works. In this way, if there are particular problems affecting a given stretch of road and the local community is willing to assist the local authority in money or kind with the necessary works, such roads can be improved sooner than would otherwise be the case. As such, the scheme recognises local community involvement in this area without in any way diminishing the statutory responsibilities of county councils.

The statutory underpinning for local community involvement in road works is provided in the Roads Act 1993, section 13(6) of which provides that a person or group of persons may, with the consent of the road authority, carry out maintenance and improvement works on a local road. The subsection also provides that a road authority may provide materials, plant, equipment and the services of its staff to a person or group carrying out such works and that the person or group is indemnified by the authority against all actions and claims arising in respect of the works, provided they are carried out in a bona fide manner and in accordance with conditions, restrictions or requirements specified by the authority.

In previous years local authorities were permitted to allocate up to 7.5% of their restoration programme grants for community involvement scheme works on regional and local roads. Under that scheme, the community contribution, in money or kind, could not be less than 25% of the cost of the works. In practice, however, such works were usually only carried out on cul-de-sac local tertiary roads.

This year the Department of Transport, Tourism and Sport is launching a new pilot community involvement scheme, which will be based on contributions within the range of 20%

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to 50%. This is a significant increase in the local contribution. Where the local contribution is monetary only, it will be 20% and where the majority of works are to be undertaken by the council, the local contribution will be 30%. Should the majority of works be undertaken by the local community, the local contribution will be 40% and where all the works are to be undertaken by the local community with the local authority contributing by way of materials or machinery, the local contribution will be 50%. In the latter case, no cash contribution would be required from the community.

The local authority will take into account the length, width and condition of the road and number of dwellings along the road and will then estimate the overall cost of each scheme, taking account of material, labour, machinery and traffic management costs. It will then determine the local contribution, make a priority list of projects and apply to the Department for funding. This method of calculating the local contribution is deemed to be the most fair and equitable way to proceed. The funding available for the maintenance and improvement of regional and local roads will be reduced significantly in the next few years and it will not be possible to provide the full funding required for these less trafficked routes.

It should also be noted that the community involvement in road works scheme is purely voluntary in nature and local communities will not be forced into participating in it. The scheme is available to give local communities the opportunity to have these works completed where they would not normally be considered for funding.

Senator Martin Conway: I thank the Minister of State for his comprehensive reply. Is the Department prepared to give local authorities reasonable flexibility in assessing the new criteria? If a county manager or director of services for infrastructure and roads were to make a recommendation that funding be provided at a certain level, would the Department approve his or her decision or would the criteria be strictly applied?

Deputy Fergus O'Dowd: As I am not a Minister in the Department of Transport, Tourism and Sport, I am unable to answer the Senator's questions. However, I will bring the matter to the attention of the Minister and ask him to reply directly.

Senator Martin Conway: I appreciate the Minister of State is not the line Minister and thank him for his assistance.

The Seanad adjourned at 8.25 p.m. until 9.30 a.m. on Wednesday, 30 January 2013.