



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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

Business of Seanad	598
Order of Business	599
Tributes to Member of Staff	608
Water Services Bill 2014: Second Stage	610
Appropriation Bill 2014: Second Stage	634
Appropriation Bill 2014: Committee and Remaining Stages	639
Appropriation Bill 2014: Motion for Earlier Signature	640
Health Insurance (Amendment) Bill 2014: Committee Stage (Resumed) and Remaining Stages	640
Water Services Bill 2014: Second Stage (Resumed)	646
Adjournment Matters	696
Local and Community Development Programme Planning	696
Palliative Care Facilities	697
Schools Recognition	699

SEANAD ÉIREANN

Déardaoin, 18 Nollaig 2014

Thursday, 18 December 2014

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Machnamh agus Paidir.
Reflection and Prayer.

Business of Seanad

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

The need for the Minister for the Environment, Community and Local Government to honour commitments made by successive Governments with regard to equal rights for women and to ensure money is ring-fenced to sustain the work of the National Collective of Community-based Women's Networks.

I have also received notice from Senator Averil Power of the following matter:

The need for the Minister for Children and Youth Affairs to reverse the 33 per cent cut in funding for the school completion programme imposed over recent years and to protect the programme from further cuts.

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

The need for the Minister for Health to outline plans to build a palliative care unit in Waterford, the level of State funding committed, the overall cost of the project, whether provision is being made to provide additional staffing resources and a time-frame from the initial build to it becoming operational.

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

The need for the Minister for Education and Skills to outline progress on the application for permanent recognition by Mol an Óige Steiner National School, Ennistymon, County Clare.

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

Order of Business

Senator Maurice Cummins: The Order of Business is No. *a1*, Water Services Bill 2014 - Second Stage, to be taken at 12 p.m., with the contribution of group spokespersons not to exceed ten minutes and those of all other Senators not to exceed six minutes, with the debate to be adjourned at 2 p.m. and resumed at 3.45 p.m.; No. *b1*, Appropriations Bill 2014 - All Stages, to be taken, subject to the passage by the Dáil this morning, at 2 p.m. and to conclude no later than 3 p.m., with the contribution of group spokespersons during the Second Stage debate not to exceed six minutes and those of all other Senators not to exceed five minutes, with the Minister to be given five minutes to reply. Committee and remaining stages will be taken immediately thereafter. A Motion for Earlier Signature of the Appropriations Bill 2014, without debate, will be taken at the conclusion of No. *b1*, subject to the Bill's prior passage in Dáil Éireann; and No.1, Health Insurance (Amendment) Bill 2014 - Committee and Remaining Stages (resumed), to be taken at 3 p.m. and to conclude no later than 3.45 p.m., if not previously concluded.

Senator Terry Leyden: Seanad Éireann is at the centre of political attention today and will be thus tomorrow and possibly on Monday because of the decisions that we, as Members of the second House of the Oireachtas, must make. It is not surprising that the Taoiseach was so anxious to get rid of this House. He tried his utmost to destroy this House and if he had succeeded, the Water Services Bill would have been passed last night to provide for the imposition of water charges. This is the straw that is breaking the camel's back for the people of Ireland. We are the last bastion of democracy in this country now. That is why every Member of this House who will be in attendance for the duration of the debate bears an enormous responsibility. I have never received more representations on any other issue since becoming a Member of the Houses of the Oireachtas than I have received about the Irish Water issue.

The Water Services Bill has been passed by the Dáil under the guillotine, which should not have been the case. There should have been a full, open and democratic debate on the legislation. I appeal to every Member of this House to listen to his or her conscience and vote against the Bill, vote down the Government, reject its proposals and let the will of the people speak. I hope the Leader will confirm that tomorrow's schedule will include an Order of Business. If not, my party will oppose the Order of Business today.

I welcome the decision by President Barack Obama to normalise relations with Cuba through an exchange of ambassadors. This is the most significant shift in US policy towards Cuba for over 54 years. The US President and the Cuban President, Raúl Castro - with the backing of his brother, Fidel Castro - have both addressed their respective nations on this issue and I welcome this step. That said, the full normalisation of relations will depend on the approval of both the US Congress and Senate, which will not be forthcoming at this point in time, given that the Republicans are in the majority in both Houses. There is very significant opposition to this move in Miami and other parts of the United States. There has been an improvement in Cuban-US relations with the release of an American citizen who was in prison in Cuba and of several Cubans who were in prison in Miami.

US international relations have been damaged by the embargo on Cuba which has been in place for the last 54 years. The difficulties the embargo caused for the Cuban medical system have been evident throughout that period. US citizens, from the "land of the free" and "home

of the brave”, could not leave the US and travel 90 miles to Cuba. This country should be very proud of the fact that we have exchanged ambassadors with Cuba throughout the period of the US embargo. I met the Cuban ambassador in Dublin recently and am delighted that our good relations with that country still stand. We should now be ready, willing and able to increase our contacts with Cuba. I would suggest that Aer Lingus, which operates from the US, should be planning ahead in the context of US tourists being able to visit Cuba. Yesterday was a very significant day and I welcome the announcement made by the US and Cuban Presidents. I might add that Fianna Fáil has been outstanding in this regard, having allowed Aeroflot flights to fly from Shannon Airport to Cuba, despite the policy of the US.

Senator Aideen Hayden: I am very concerned that the Dublin Rape Crisis Centre is currently at risk of losing its Leeson Street headquarters, where it has been based for the past 28 years. The building is being sold by a NAMA debtor. The Rape Crisis Centre has managed to raise €1 million from donations to buy the building but there is still a shortfall of €800,000. The centre is very much dependent on its State grant but that grant does not cover the cost of renting accommodation.

As every woman will know, the Rape Crisis Centre is a front-line organisation that protects women at the most vulnerable time of their lives after they have been subjected to rape or attempted rape. It would be an incredible shame if NAMA was permitted to sell the centre’s headquarters out from under it. We are all aware that NAMA has made enormous progress in selling assets. That said, its mandate also requires that NAMA delivers a social dividend to the people of Ireland which I believe it is not doing. I ask the Leader to raise the matter of the Rape Crisis Centre and its headquarters with the Minister concerned. It would be an incredible shame if, after 28 years of excellent service, the Rape Crisis Centre would lose its essential Leeson Street premises.

I also wish to raise the issue of a pregnant woman who has suffered a serious head trauma and is on life support in Beaumont Hospital, as reported in several newspapers today. This tragic case, of which the Minister for Health and senior HSE officials are aware, underlines the flaws in the current legislation governing pregnancy. I welcome the comments by the Minister yesterday to the effect that the current legislation does not protect the long-term health of women and does not cover situations of fatal foetal abnormality. The Labour Party’s position is that the legislation should be amended accordingly.

I am aware there is no appetite at the moment in Government to deal with another referendum on the Eighth Amendment of the Constitution, but this issue must be kept to the forefront of our minds. We need to have a debate in this House, on the anniversary of the enactment of the legislation, to determine the extent to which the Protection of Life During Pregnancy Act is protecting the health of women and performing its long-term role.

I am gravely concerned about an issue relating to Dún Laoghaire Harbour, which depends to a great extent on the business of the Stena Line ferry company. That business is worth approximately €7 million per annum to the town. There is a common perception that Dún Laoghaire is a well-off area and that the loss of such business would not have any impact. However, Dún Laoghaire has suffered dreadfully in recent years, particularly since the economic downturn. It is effectively a region of Dublin and it is unfortunate that Dún Laoghaire is losing out to Dublin Port. There is an issue here in terms of the interests of the regional areas of Dublin and its centre. I ask that we take account of the balance of rights in this situation. I would appreciate it if the Leader would raise this issue with the Minister for Transport, Tourism and Sport.

Senator Feargal Quinn: I agree with Senator Leyden that the eyes of the people are on this House today. I congratulate the Leader on ensuring that we will have a full debate on the Water Services Bill and that it will not be foreshortened by the use of the guillotine. This is a worthy recognition of the important role the Seanad can play and I hope that the debate will be as useful as might be expected.

Senator Leyden also referred to Cuba. There are changes taking place in the world and some of the most significant of these are probably happening in Russia. The huge drop in the value of the rouble in recent weeks has been quite dramatic. I recall that approximately two months ago I highlighted the fact that the price of Brent oil had been reduced and I criticised the fact that evidence of this was not apparent in petrol stations. However, the reduction is now being passed on to motorists and at the petrol station closest to my home, the price currently stands at €1.35 per litre. While this is a dramatic reduction, I am not sure it reflects the overall drop in the price of Brent oil. If we want to maintain our competitiveness, we must ensure that energy costs continue to be reduced.

Senator Hayden referred to Dún Laoghaire. It was only a year ago that plans were announced for the development of a new terminal to allow cruise ships to dock in Dún Laoghaire. At present, such ships cannot dock there. This development is very important in the context of tourism. Some very good news is emanating from Shannon to the effect that the number of flights into and out of the airport has increased substantially since the change of management took place there. This is a reminder of the importance of giving individual units the freedom to do what they want rather than having them controlled from elsewhere. From the point of view of tourism, the entire Shannon area will benefit from the increase in flights to which I refer. Let us ensure that this continues to be the case.

Senator Hildegard Naughton: I wish to raise two issues. First, I congratulate the Minister for Arts, Heritage and the Gaeltacht, Deputy Heather Humphreys, and the Cabinet on agreeing the criteria for the selection of the European capital of culture 2020. This is very important for cities throughout the country that wish to submit applications in respect of this prestigious designation. The people of the city of Galway, in which I live, have been waiting anxiously for the launch of the applications process. Winning the European capital of culture designation would represent a huge opportunity to highlight the richness and diversity of cultural life in Galway. Major work has been ongoing for some time on the tender proposal, so yesterday's decision by the Government is welcome. According to the EU, being awarded European capital of culture status has led to the regeneration of cities, a raised international profile for cities, an enhancement of the image of cities in the eyes of their inhabitants, the rejuvenation of cities' culture and a significant increase in tourism. I wish all the cities applying for designation as European capital of culture every success.

It is important to acknowledge that Christmas can be very lonely for many people throughout the country. Yesterday, I met representatives from the Samaritans in Galway who wanted to raise awareness of the organisation's freefone number 116 123. This a new number, which is operational 24 hours a day, 365 days a year, is one of the European Commission's easy to remember freefone numbers that are designed to assist people. Christmas can be a very difficult time for the older people who may be lonely or who may be the subject of elder abuse. The delegation from the Samaritans informed me that people can contact them about anything. In Galway alone, the Samaritans receive 800 calls each week. The number of calls has increased significantly since the new freefone number came into use in March. I commend the six telephone operators which have funded the freefone service to the tune of €100,000 per year. Some

1,500 volunteers are working for the Samaritans throughout the country. It is important for people who experience difficulties to realise that they are not alone and that they can call the non-judgmental individuals who operate the freefone helpline to which I refer.

Senator Mary M. White: I support the comments made by Senator Leyden in respect of the dramatic developments in the relationship between Cuba and the United States. We have been made aware that Pope Francis, who celebrated his 78th birthday yesterday, played a crucial role in brokering the landmark deal between the United States and Cuba. As more details emerge about the watershed normalising of diplomatic relations between the two countries, we are learning more about the instrumental role the Pope played in bringing American and Cuban leaders together. Given that relations between the US and Cuba were frozen for 50 years, what happened yesterday represents a paradigm shift. The Pope wrote a letter to President Obama and President Raúl Castro of Cuba during the summer in which he urged the two to mend the relationship between their countries.

President Obama really seems to have rediscovered his, to use a crude word, *mojo* particularly in view of what was announced yesterday and the compassion he has shown towards undocumented Irish and others in the United States. The Pope, whose mantra is “mercy and compassion”, is 78 years of age and he has provided extraordinary leadership and encouraged people to be more tolerant, understanding and forgiving. Despite the negative reaction of some Cuban exiles in Florida, I am of the view that this process is going to move forward. President Obama is on a mission and he intends to open a US embassy in Cuba. In addition, 50 American prisoners in Cuba are to be released. People have visited the Houses of the Oireachtas to request our help in having the Cuban five - who were convicted of being involved in espionage in the United States over 20 years ago - freed. President Obama has indicated that he intends to release these individuals. This is a wonderfully inspiring time for everyone. Showing leadership is what it is all about - it is not about engaging in populist politics.

Senator Martin Conway: At this time of year people struggle and find themselves in very challenging situations. The Society of St. Vincent de Paul is one of many charities which do fantastic work. It is important to recognise businesses that go the extra mile to do something different. I refer here to Hotel Doolin, which is located in County Clare and which normally closes for three days at Christmas. However, it has been announced that the hotel will remain open in order to accommodate people sent to it by the Society of St. Vincent de Paul. The staff at the hotel will work on a rota basis and free of charge during the Christmas period. The companies which supply goods to the hotel will provide food and other essentials in order to ensure that less fortunate people in Clare will have an enjoyable Christmas. The meitheal displayed by the staff and management at Hotel Doolin should encourage their counterparts at other hotels to realise that sometimes giving up one’s Christmas is a good thing to do. It is not about money, rather it is about time. What the people at Hotel Doolin are doing is noble, honourable and reflects the spirit of the people of Clare and Irish people in general. I commend them on their action.

Senator Gerard P. Craughwell: Yesterday, I advised the Leader of my view that the Water Services Bill is being rushed through the Houses of the Oireachtas and - in light of public concern regarding this issue - stated that I would request that today’s Order of Business be amended in order that our deliberations on it be delayed until January. It is wrong that we are dealing with the Bill in this way. As a result, I formally propose that the Water Services Bill be removed from the Order of Business and taken in January.

18 December 2014

Senator Michael Mullins: Like previous speakers, I welcome the moves announced yesterday in the context of normalising relations between the US and Cuba.

11 o'clock

I very much applaud the role played by Pope Francis in bringing about an improvement in relations after almost 50 years. I hope that Pope Francis will continue to play an active role in helping to broker peace in many of the trouble spots around the world. I think he could be a great influence for reconciliation and for improving relations between warring factions.

I very much welcome the strong tourism figures announced in recent days which show that approximately 7.3 million overseas visitors will have come to our country in 2014, which is up 8% on 2013. These visitors will contribute €3.6 billion to our economy, which is up 9% on 2013. Much of this success is due to the excellent marketing of the Wild Atlantic Way, which is making a huge contribution to tourism in this country. The fantastic work being done by Tourism Ireland in promoting Ireland abroad, in particular in the United States, is very significant. The additional flights between Ireland and the US this year also contributed very significantly.

Next year is looking particularly good with new Aer Lingus flights from Washington DC to Dublin, new United Airlines flights from Chicago to Dublin, a new Transavia service from Paris to Dublin, Finnair flights from Helsinki to Dublin and flights from Gothenburg in Sweden. While 2015 is looking particularly good, we need to keep our eye on the ball. Our hotels need to ensure their prices remain competitive, they continue to give good customer service and value for money and they address some issues and problems in that area. In the new year, I would like the Leader to organise a full debate on tourism and the huge contribution it can make to the recovery of our economy.

As we head into the Christmas period and with the huge increase in traffic on the roads and, unfortunately, the increase in the number of people losing their lives on the roads, I urge everybody to be particularly careful, to ensure nobody goes out on the roads having consumed alcohol and to do everything possible to ensure no family is without a loved one this Christmas as a result of irresponsible behaviour on the roads by any of us.

Senator Diarmuid Wilson: I support Senator Craughwell's amendment to the Order of Business. As we are aware, the Water Services (No. 2) Bill 2014 was guillotined in the Lower House. That was the second time that a water services Bill, which is of national importance, was guillotined, albeit the Bill was given a little bit more time on this occasion than on the previous one. We do not know what will emerge as a result of the guillotining of that Bill. It is only right and proper that we have time to read that Bill, as passed by the Lower House. This House should not rush to judgment until we have had an opportunity to read it, and the amendments made to it, properly.

Having said that, I want to clarify that if the amendment to the Order of Business is not successful and we proceed with Second Stage of the Water Services Bill 2014-----

Senator Paul Coughlan: Now the Senator is thinking positively.

Senator Diarmuid Wilson: As Whip of the Fianna Fáil party, I want to clarify something. Since the unfortunate confinement of our colleague, Senator Jimmy Harte, due to a serious injury, on every occasion our party has honoured a pair for the Senator. There may be speculation in that regard but as the Whip of the Fianna Fáil party in the House, I will give a commitment

that pair will continue to be honoured, regardless of how difficult or serious-----

Senator David Norris: That is absolutely daft.

Senator Diarmuid Wilson: -----the legislation before us.

Senator Aideen Hayden: As a Labour Party Senator, I appreciate that.

Senator David Norris: I have to say that is a load of nonsense. In politics, one wins. It is as simple as that. One takes advantage. That is what I have learned in political life, in particular if one is motivated by the interests of the people.

(Interruptions).

Senator David Norris: The illness of a Member should be exploited by this side and I will not pay any tributes to Fianna Fáil for that.

Senator Aideen Hayden: For God's sake, that is an outrageous comment.

Senator Paul Coughlan: It is unbecoming of Senator Norris.

Senator David Norris: I welcome very much the relaxation of the relationship between Cuba and the United States of America. It has taken 50 years, which is a hell of a long time. Through their secret agencies, the Americans have been involved in bombings, murder, invasion, assassination attempts on Fidel Castro, the Bay of Pigs and so on, so I am very glad that this is coming to an end.

Like Senator Mullins, I salute Pope Francis for his very positive intervention in this matter. However, I sincerely hope there will be a complete revision of the noxious and impertinent Helms-Burton legislation which purports to give the United States the right to dictate financial policy and trading relations to other countries throughout the world. We very recently saw an example of that where Bank of Ireland froze perfectly legitimate bank accounts on behalf of a Cuban solidarity group. This was an appalling infringement of our financial independence and I sincerely hope this is revised. As I understand it, the three remaining members of the Miami Five, who went to Florida to warn the United States about the armed activities of the anti-Castro movement there, who were arrested as spies in a most nasty and dangerous operation and who were incarcerated for many years, have been released. It is a good day and a positive move by the United States of America.

Senator Maurice Cummins: Senator Leyden, the acting Leader of the Opposition, referred to the Water Services Bill 2014. The other House is not a matter for us but there were 40 hours of debate there. I can assure the House that if we want 80, 90 or 100 hours of debate, it will not be curtailed in any way.

Senator David Norris: Ninety days.

Senator Maurice Cummins: I oppose the proposed amendment to the Order of Business. We will deal with this Bill in the same way we would any other in this House. I can assure Members that we will not guillotine-----

Senator Paul Coughlan: We will come in at Christmas, if necessary.

Senator Maurice Cummins: -----this Bill and we did not do so the last time. I can assure

Members that they will have time to debate this Bill for as long as they wish, and as is proper.

Senator David Norris: It is a complete waste of time.

An Cathaoirleach: Allow the Leader to respond to questions raised.

Senator Maurice Cummins: If it is a waste of time, there is no point debating it at all, but that is up to the House. I am totally in the hands of the House in regard to how long it wants to give to this Bill on every Stage.

Senator Terry Leyden: I commend the Leader of the House.

Senator Maurice Cummins: In regard to the Order of Business, work will continue as usual. We will have an Order of Business tomorrow. It will be no different from any other day. We will have normal business. We are not in an emergency situation or anything like that. It is time for cool heads.

Senator Leyden welcomed the decision of President Obama on normalising relations with Cuba, as has everyone, but as the Senator pointed out, there are a lot of steps to be taken in the meantime. Senators White, Mullins and Norris praised the role played, and the leadership shown, by Pope Francis in brokering a deal between both countries. It is welcome that such negotiations are going on. I am sure there is still a long road to travel but we wish them well in their negotiations. I note the point Senator Norris made in regard to the freezing of the bank account, which he raised some months ago. I hope that will be rectified as a matter of urgency.

Senator Hayden referred to the Dublin Rape Crisis Centre and the possibility of it losing its headquarters. It would be very regrettable if that were to happen. There is no doubt about it. I will certainly make representations to the Minister. I do not know whether the Minister can interfere with NAMA on it. I hope some resolution can be found in that regard.

Senator Hayden also called for a debate on the need to review the Protection of Life During Pregnancy Act 2013. We will certainly give consideration to that in the new year.

Senators Hayden and Quinn spoke about Dún Laoghaire Harbour and Dublin Port. They mentioned the possibility that Stena Line will leave Dún Laoghaire. There is no doubt that such a move would be a massive blow to Dún Laoghaire. I remember the damage that was done to my own city of Waterford when a major carrier left the local port. Indeed, that decision is continuing to damage the Port of Waterford. I note the points that were made about the competition between Dún Laoghaire Harbour and Dublin Port. I will certainly bring the matter to the attention of the Minister. Competition between ports is of paramount importance. Senator Quinn referred to the competitiveness of Shannon Airport and the benefits that have accrued to the area and the tourism sector as a result. It is certainly worth considering.

Senator Quinn referred to the need to be very vigilant about monitoring energy costs in the interests of competitiveness.

Senator Naughton welcomed the agreement on the criteria for the designation of the European capital of culture. I am sure this will be welcomed by people in all cities, including Galway and Waterford, and by all Senators who have an interest in the tender competition for that prestigious designation.

Senator Naughton praised the work of the Samaritans and highlighted the availability of the

organisation's helpline. We all agree that the Samaritans have done excellent voluntary work throughout the length and breadth of the country over the years.

Senator Conway praised the work of the Society of St. Vincent de Paul. He mentioned that an hotel in County Clare has kindly offered to give generously of its time and money in order to help people who are less well off than others over the Christmas period.

I do not see that there is a need for the amendment to the Order of Business proposed by Senator Craughwell. As I said earlier, we will have plenty of time to debate the Water Services Bill 2014.

Senator Mullins welcomed the excellent tourism figures. He said that the 8% increase in tourist numbers this year has generated great benefits for the economy. I suggest this has resulted from various measures taken by the Government, including the VAT reduction and the removal of the travel tax. Senator Mullins also welcomed the new flights and routes that are planned for 2015 and 2016, which will lead to further tourism benefits in the years ahead.

Senator Mullins reminded us of the importance of thinking about road safety over the Christmas period.

We thank the Whip of the Fianna Fáil Group, Senator Wilson, for the ongoing provision of a pair for one of our colleagues who is severely incapacitated.

Senator Paul Coghlan: Hear, hear.

Senator Maurice Cummins: We would have reciprocated that practice during the term of the last Government when someone on the other side of the House was seriously ill. I think it is a good practice. We thank the Fianna Fáil Group for it.

Senator Aideen Hayden: Hear, hear.

An Cathaoirleach: Senator Craughwell has moved an amendment to the Order of Business, "That the proposal regarding the Water Services Bill 2014 be deleted from today's Order of Business." Is the amendment being pressed?

Senator Gerard P. Craughwell: Yes.

Amendment put:

The Seanad divided: Tá, 18; Níl, 29.	
Tá	Níl
Craughwell, Gerard P.	Bacik, Ivana.
Crown, John.	Bradford, Paul.
Cullinane, David.	Brennan, Terry.
Daly, Mark.	Burke, Colm.
Heffernan, James.	Coghlan, Eamonn.
Leyden, Terry.	Coghlan, Paul.
Mooney, Paschal.	Comiskey, Michael.
Ó Clochartaigh, Trevor.	Conway, Martin.
Ó Murchú, Labhrás.	Cummins, Maurice.

18 December 2014

O'Brien, Mary Ann.	D'Arcy, Jim.
O'Donovan, Denis.	Hayden, Aideen.
O'Sullivan, Ned.	Henry, Imelda.
Quinn, Feargal.	Higgins, Lorraine.
Reilly, Kathryn.	Keane, Cáit.
Walsh, Jim.	Kelly, John.
White, Mary M.	Landy, Denis.
Wilson, Diarmuid.	Mac Conghail, Fiach.
Zappone, Katherine.	Moloney, Marie.
	Moran, Mary.
	Mulcahy, Tony.
	Mullins, Michael.
	Naughton, Hildegard.
	Noone, Catherine.
	O'Donnell, Marie-Louise.
	O'Keeffe, Susan.
	O'Neill, Pat.
	Sheahan, Tom.
	van Turnhout, Jillian.
	Whelan, John.

Tellers: Tá, Senators Gerard P. Craughwell and Diarmuid Wilson; Níl, Senators Paul Coghlan and Aideen Hayden.

Amendment declared lost.

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

The Seanad divided: Tá, 30; Níl, 19.	
Tá	Níl
Bacik, Ivana.	Craughwell, Gerard P.
Bradford, Paul.	Crown, John.
Brennan, Terry.	Cullinane, David.
Burke, Colm.	Daly, Mark.
Coghlan, Eamonn.	Leyden, Terry.
Coghlan, Paul.	Mooney, Paschal.
Comiskey, Michael.	Norris, David.
Conway, Martin.	Ó Clochartaigh, Trevor.
Cummins, Maurice.	Ó Murchú, Labhrás.
D'Arcy, Jim.	O'Brien, Mary Ann.

Seanad Éireann

Gilroy, John.	O'Donovan, Denis.
Hayden, Aideen.	O'Sullivan, Ned.
Heffernan, James.	Power, Averil.
Henry, Imelda.	Quinn, Feargal.
Higgins, Lorraine.	Reilly, Kathryn.
Keane, Cáit.	Walsh, Jim.
Kelly, John.	White, Mary M.
Landy, Denis.	Wilson, Diarmuid.
Mac Conghail, Fiach.	Zappone, Katherine.
Moloney, Marie.	
Moran, Mary.	
Mulcahy, Tony.	
Mullins, Michael.	
Naughton, Hildegarde.	
Noone, Catherine.	
O'Donnell, Marie-Louise.	
O'Neill, Pat.	
Sheahan, Tom.	
van Turnhout, Jillian.	
Whelan, John.	

Tellers: Tá, Senators Paul Coghlan and Aideen Hayden; Níl, Senators Gerard P. Craughwell and Diarmuid Wilson.

Question declared carried.

Tributes to Member of Staff

An Cathaoirleach: Mr. Andy Fitzgerald of the staff of the Houses of the Oireachtas is to retire today. I wish him a happy and healthy retirement. Andy started his career in Teagasc and moved to the Office of Public Works, OPW, in 1977. He was transferred to the Houses of the Oireachtas in 1986 and served as a houseman to the Oireachtas under the OPW. He was promoted to usher in 2002 and has served as a dedicated member of the team in a professional manner. No matter what needed to be done, one just had to ask Andy, and he got it done with a smile. He was always most helpful. I wish him a long retirement and I wish his wife Linda and family every happiness.

Senator Maurice Cummins: On behalf of the House, I join the Cathaoirleach in complimenting Andy and wishing him a very happy retirement. As the Cathaoirleach said, Andy has

given 27 years of service to the Houses of the Oireachtas. Ushers such as Andy cater for such a wide range of needs that it is impossible to know just how much they do for the Members of the Houses. They are obliging and discreet and always put the needs and business of the Houses first. I wish Andy a very happy retirement and wish well his wife and family. I hope we see him again in the Houses regularly.

Senator Paschal Mooney: On behalf of the Fianna Fáil group in the House, I endorse the comments of the Leader in wishing Andy Fitzgerald and his family every happiness on his retirement. None of us likes change and whenever there are occasions such as this, they probably make us all aware of the transient nature of our own careers in here in that nothing lasts forever. It seems like yesterday when Andy was appointed an usher. On behalf of the Fianna Fáil group, I thank him for his kindness, courtesy and assistance to us all over the period of his long and distinguished service. I wish him well in his retirement and wish him good health and happiness.

Senator Ivana Bacik: On behalf of the Labour group, I join the others in wishing Andy Fitzgerald well on his retirement and complimenting him on his long service. I echo the words of colleagues on the important work the ushers do in this House and their unfailing courtesy, good humour and calmness under pressure. These traits are a lesson to all of us in what can often be a very fractious working environment. I wish Mr. Andy Fitzgerald the very best on his retirement and thank him for all his hard work in the House over 27 years. I hope we will see him back in the House again from time to time.

Senator Mary Ann O'Brien: On behalf of all the Independents, Andy, I can state the best has yet to come. Twenty-seven years have gone by and Andy has given his utmost. He has worked diligently and, as Senator Bacik said, so much could be learned just by observing him, his calmness and kindness to us all. As I stated, the best has yet to come. Every good wish from us all.

Senator David Norris: On behalf of the original and real Independents, I wish Andy very well. It is sad to see a familiar face withdrawing from us. He has been a very good friend to this House and to the Oireachtas generally over 27 years. The time goes like a wink; it is just amazing. I said to somebody yesterday that 1982 was yesterday. If 1982 was yesterday, I will be 106 tomorrow. Andy should watch his time very carefully because it goes in the blink of an eye. However, he will not be entirely lost to us because there is a very active and socially engaged group of former and retired members of the staff of the Houses. They meet regularly and have lunches and outings. It is a real pleasure to see people we remember from the old days. I have got to the point in life where I believe nothing is quite the same as it was. The retirement of Andy is just another confirmation of this sad fact. I am an optimist, however, and believe we will have a young, vital and engaging person to take up the role played by Andy in this House.

Senator Trevor Ó Clochartaigh: Ba mhaith liom, thar ceann ionadaí Shinn Féin, gach dea-ghuí a ghuí ar Andy. We actually have a serious issue that we might need the Leader to clarify because, to me, Andy looks far too youthful to be retiring at this stage. As a newer Member of the House, I must say it has been always a breath of fresh air to come in and meet Andy, who has always shared a smile and a bit of a laugh. He always pointed one in the right direction.

It might be fitting to thank all the staff at the Houses because they are the unsung heroes. Much of the media attention, in particular, seems to be focused on the Members but the staff here are absolutely exemplary and have been fantastic all through the year. I refer to all the ushers, the administrative staff, the staff here in the Seanad, the staff in the cafeteria, the cleaning

staff and everybody else involved throughout the Houses. I congratulate Andy and wish him all the best for the future. I thank all the other staff who do so much great work during the year. Go raibh míle maith agaibh ar fad.

Sitting suspended at 11.40 a.m. and resumed at 12 noon.

Water Services Bill 2014: Second Stage

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

An Leas-Chathaoirleach: I welcome the Minister to the House. I advise Members that the principal speakers will have ten minutes and all other speakers will have six minutes. I call on the Minister to speak - ar aghaidh leat.

Minister for the Environment, Community and Local Government (Deputy Alan Kelly): I am delighted to be back in the Seanad again.

Senator Jim Walsh: I would say the Minister is.

Deputy Alan Kelly: I have been here quite often of late. I have good affection for the Seanad. I was here for a few years and I found the debate in the Seanad was often the superior debate in the Houses of the Oireachtas.

Senator David Norris: Is that why the Minister campaigned against-----

Deputy Alan Kelly: The Senator should check the record.

Senator David Norris: Really? Did the Minister campaign for us?

Deputy Alan Kelly: We might have an off-site chat about that.

Senator David Norris: Very good.

Senator Mary Moran: We were supported by the Minister on that.

Deputy Alan Kelly: I made the same comment last night when I was here as well.

An Leas-Chathaoirleach: Given the fact that we have a long and difficult day ahead, I suggest we cut to chase.

Deputy Alan Kelly: Fair enough.

Senator Gerard P. Craughwell: Is the Minister asking that we defer taking the Bill until January to give us plenty of time to consider it?

Deputy Alan Kelly: No, Senator, I am not, although I appreciate his sentiment.

Senator David Norris: Without being disruptive, will copies of the Minister’s speech be available?

Deputy Alan Kelly: Yes, there will be. I am sure it is only a matter of time before they

arrive.

I am pleased to bring the Water Services Bill 2014 before the Seanad today. I want to acknowledge that I am bringing this Bill into the House very late in the year. I appreciate that additional time has been allocated by the Seanad to consider the Bill before the House adjourns for the Christmas break. I acknowledge that and thank the Members. I want to express my appreciation to everyone for organising this debate. In other circumstances, I would have preferred to have a less condensed schedule for the consideration of the Bill, but I will shortly outline the rationale for the Government's efforts to enact the Bill before the end of the year. There were 40 hours of robust debate on the Bill in the Dáil. During the debate we had an extensive exchange of views from a large number of the Members both on the provisions of the Bill and wider issues surrounding both the water sector reforms and the funding model for Irish Water and various other issues. I will not say we had full agreement on many of the matters but I reflected on the contributions of Deputies and took on board what they said. I also reflected on the thoughts of Senators previously and the way in which we constructed the Bill. I am glad to be back here. To reflect some important issues raised during this debate, I brought forward two amendments on Report Stage which have been incorporated in the Bill passed by Dáil Éireann.

I would like to touch briefly on these two amendments before running through the Bill in its entirety. With regard to section 2, which provides for a plebiscite of the people, should a future Government propose to initiate legislation that would lead to the privatisation of Irish Water, which I do not believe is likely, I fully understand the views expressed by Deputies against the potential privatisation of Irish Water.

Senator Jim Walsh: Is it possible to have a copy of the Minister's speech?

Deputy Alan Kelly: Yes.

Senator David Norris: I have asked for it already.

Senator Jim Walsh: Yes, but we have not got it and the Minister of State is getting into his speech.

Deputy Alan Kelly: Well, I think-----

Senator Jim Walsh: In fairness, the spokespersons who are replying-----

Deputy Alan Kelly: I agree

Senator Marie Moloney: I shall go and see about it.

Deputy Alan Kelly: Yes, if the Senator does not mind.

An Leas-Chathaoirleach: Perhaps we can let the Minister of State proceed slowly.

Deputy Alan Kelly: I know the process. In fairness Members should have the speech. I accept that.

An Leas-Chathaoirleach: If the script is not available in three or four minutes, we will raise the issue again.

Senator Gerard P. Craughwell: I do not mean to be critical but I do like to follow it on paper as the Minister of State speaks so that I can note various points. I do not mean to be

awkward.

Senator Marie Moloney: I shall go for it.

An Leas-Chathaoirleach: If the House is minded, in order not to cause confusion, we can suspend for five minutes

Senator Jim Walsh: Please suspend.

Deputy Alan Kelly: With regard to section 2 which provides for a plebiscite of the people should a future Government propose to initiate legislation that would lead to the privatisation of Irish Water, which I think is very unlikely, I fully understand the views expressed by my colleagues in the Dáil against any potential privatisation of Irish Water. Based on the debate-----

Senator Jim Walsh: I suggest the House suspend for five minutes to allow us get copies of the script.

Senator David Norris: No.

Senator Jim Walsh: In future there should be some communication from the office. It is not good enough that we have to copy speeches. Whichever Department is involved should arrive with copies of speeches.

Deputy Alan Kelly: I do not mind.

Senator John Gilroy: Perhaps Senator Jim Walsh is over-egging the case. There was a slight misunderstanding here. If the Senator waits two minutes, we will have the speech.

An Leas-Chathaoirleach: This is very important legislation. It is well-heralded and if there are Members who are unhappy that they do not have a copy of the speech, I suggest we suspend for five minutes.

Deputy Alan Kelly: I have no problem with that.

Senator Ivana Bacik: In the circumstances, as-----

Deputy Alan Kelly: I know the process in the House as I have been in long enough.

An Leas-Chathaoirleach: Will the Deputy Leader propose that the House suspend until 12.30 p.m.

Senator Ivana Bacik: I propose a suspension until 12.30 p.m.

Sitting suspended at 12.24 p.m. and resumed at 12.30 p.m.

Deputy Alan Kelly: I am pleased to bring the Bill before the Seanad today. It is good to be back in the Seanad, which is the House with the better debates, to be honest. I acknowledge that I am bringing the Bill to the House very late in the year. I very much appreciate the additional time which has been allocated and I thank everyone.

We had more than 40 hours of robust debate on the Bill in the Dáil. During the debate we had an extensive exchange of views on many different issues. It is fair to say we did not have full agreement, and that is being polite. However we had a good debate and many issues were raised. I reflected on these and as a result I tabled two amendments on Report Stage, which

have been incorporated in the Bill as passed by Dáil Éireann. I will touch briefly on these.

With regard to section 2, which provides for a plebiscite of the people in the extremely unlikely event that a future Government proposes to initiate legislation that would lead to the privatisation of Irish Water, I fully understood the views and concerns expressed by Deputies. It is something I would abhor and there is no way on this earth I would tolerate the idea of such an event happening. Based on the debate, I introduced an amendment to section 2, to remove absolutely any doubt that a legislative proposal to privatise Irish Water, or to otherwise sell any share held by the Government must - and I emphasise “must” - be put before the people in a plebiscite.

Senator David Norris: A plebiscite is not worth a damn.

Deputy Alan Kelly: I am also aware of the proposal from the Seanad on the holding of a referendum on the ownership of Irish Water.

Senator David Norris: Yes.

Deputy Alan Kelly: I stress that I brought this directly to the Taoiseach, Tánaiste and everyone in Government, as I said I would,. It was carefully considered, and the argument of a constitutional amendment was considered in great detail. The Government believes the wording of such an amendment would be difficult to construct given the various categories of ownership of water services infrastructure in the State, when one considers, for example, the infrastructure funded by the State but operated by private group schemes or certain publically-owned infrastructure located on privately property. A multitude of issues arise in this regard which are not easily solvable.

As was suggested during the Dáil debates, a constitutional referendum on the ownership of Irish Water could lead to calls for similar referenda for other infrastructure considered to be of strategic importance or for other State-owned enterprises.

Senator David Norris: Good. Would not that be splendid?

Deputy Alan Kelly: I suggest that legislation approved by the Houses of the Oireachtas is the appropriate way to address this matter. Senators must also take into consideration that during all of this I have borne in mind the advice we received from the Attorney General. I also had to take into consideration all of the issues relating to unintended consequences of putting such a provision into the Constitution. The Constitution is our document and bedrock and we must think very carefully before we make amendments to it. In this regard, I strongly believe the provisions contained in section 2 for a plebiscite are the appropriate way of ensuring that the views of the people are sought.

I also tabled an amendment to section 8, which deals with customer dispute resolution. This amendment was to clarify that the right of the customer to bring a dispute to the Commission for Energy Regulation could not be frustrated by any delay in Irish Water resolving its own dispute resolution. Section 32 of the Water Services (No. 2) Act 2013 provides that Irish Water is obliged to deal with any customer disputes in accordance with a code of practice to be approved by the Commission for Energy Regulation. However, I was happy to bring forward the amendment to reflect the limited but fair concerns of Deputies and bring full clarity on the application of section 8.

The Government's objective is to make the new domestic water charges system simpler and fairer, providing more clarity to households and ensuring water charges are affordable for customers of Irish Water. The Government also wants to strengthen the legislative framework within which Irish Water will operate and to give people certainty that Irish Water will remain in public ownership. The Bill includes measures to address all of these objectives.

As the domestic meter programme has progressed and public discourse on the water reform progress has intensified, it has become apparent that the charging regime was not publically accepted. This created uncertainty and other concerns for customers regarding their bills in 2015 and beyond. I must accept this. As a result, the Government took time to reflect on the demanding reform programme being implemented to a challenging timescale. As I have often said in this regard, the scale of the project was underestimated and its timescale was certainly underestimated. Collectively we have listened to the people's concerns and we have responded.

The changes to the charging system as a result of the Bill will ensure the system is defined by four key attributes. There are certainty, as every household will know what its capped bills will be until the end of 2018; simplicity, as there will be only two charging structures and a water conservation grant; affordability, as the absolute maximum net cost is now just over €3 per week, and for single households it will be approximately €1.15 per week, which is much less than 1% of most people's incomes or benefits and puts our water bills among the lowest in Europe; and conservation, as with a meter, households will have the opportunity to pay less than the capped bill and can use the water conservation grant to make changes to avail of lower charges.

I accept many people are in financial difficulty and given my other areas of responsibility as a Minister, I probably know this more than most. I will insist that Irish Water distinguishes between those who want to pay but cannot and those who simply refuse to pay. Those who want to pay but are in financial difficulty will be able to avail of easy-pay options and instalment plans, just as with any other utility. I was determined to ensure that was the case. Those who do not register and do not pay will not be able to avail of the water conservation grant and will be liable for a late payment fee.

The Bill also addresses a number of other concerns expressed by the public. It provides a robust additional safeguard against the danger of privatisation, specifically, the will of the people. In the unlikely event that any future Government should seek to sell Irish Water, we are ensuring that the public must be consulted in a plebiscite and that a majority of those who vote must support the proposal. It provides for changes to strengthen Irish Water's governance, part of a wider reorganisation of the corporate governance structures of Ervia and of Irish Water. The Government is putting in place a unitary board at Ervia, which will also be responsible for Irish Water and the gas networks subsidiary. The new board will provide for stronger governance and improved setting of strategic objectives for each of the component companies. Advertisements in relation to this are already in place on the new public appointments website, *stateboards.ie*, and I am sure many colleagues here have seen them.

The proposed public water forum will ensure that the voice of Irish Water's customers is listened to, and is influential in the strategic direction of this utility. That is important. The proposed customer dispute resolution service, to be provided by the Commission for Energy Regulation, will have a legal basis, and will provide customers with the same access to resolution of unresolved complaints as energy customers currently have. These new structures will help Irish Water identify where its customer service needs improvement.

Many people, especially in this House, have expressed concern about Irish Water obtaining PPS numbers for the purposes of registration. This was a necessary underpinning of the former charging regime, which was based mainly on allowances rather than capped charges, but I have had to reflect on that. I reflected in great detail, and the Government has decided that the new arrangements should be based on self-declaration and appropriate audit. Therefore, PPS numbers will not be required for registration.

The Government package announced last month also referred to a suite of measures which would apply if households did not pay. These will be brought forward in separate legislation in the new year, and will be the subject of extensive stakeholder engagement and pre-legislative scrutiny.

The changes provided for in this Bill do not change the fundamentals of the Government's water sector reform programme. Ireland's public water system was and remains in need of changes to the way it operates, and the level of funding it receives. It needs a complete overhaul. The previous system of providing water services through local authorities was not working properly, despite the best efforts of the dedicated and experienced staff involved, and I must acknowledge these fantastic people, who have been doing fantastic work over many generations, sometimes in very difficult circumstances. It is through no fault of theirs that we must go down this route. We have to face the fact that local authorities were restricted in their ability to borrow, so they could not invest adequately in the system. The time taken to make decisions to invest was often slow and bureaucratic and at times it was inefficient. Planning for new water services largely, though not exclusively, stopped at the county boundary, so there was limited opportunity to achieve economies of scale on a regional or national basis.

We see the results of this fundamentally flawed approach in almost every city, town and county. There are major issues around the quality of water supply and the capacity of the existing system to supply treated water in the quantities needed by households, businesses and industry. For example, more than 22,000 people are on boil water notices and almost a million more depend on drinking water supplies that are at risk of falling below the required standards. Almost half the water treated – at significant cost – runs off in leaks and is unaccounted for. In addition - I use this only by way of example - 22 households are leaking a combined total of over one million litres a day into their driveways. That is enough to serve the needs in one day in the town of Gorey, with which some in this House would be very familiar. In Dublin, more than 800 km of pipe is over 100 years old and I cannot stand over that. There is insufficient supply for the greater Dublin area. Most major European cities have a spare capacity of 15% to 20%. Dublin has a surplus capacity of only 1% to 4%. We all know of the situation a few years ago, whereby restaurants in this city had restricted water supply during some very busy periods. We all know what happened with the fantastic event, the Web Summit, a few years ago, where so many people visited this city and were left in a situation where water supplies were restricted in hotels while they were visiting.

Senator David Norris: Overcharged hotels.

Deputy Alan Kelly: I could not agree more. As a former manager of Bord Fáilte and Fáilte Ireland, I could not agree more with Senator Norris, but from a tourism point of view that is huge. Tourism is critical to this country and we cannot continue to give that example to people. We must look forward and deal with this issue.

According to last week's EPA report on wastewater treatment in 2013, there are 44 areas,

including seven large urban areas, where largely untreated sewage is running into our rivers and seas, including popular seaside towns such as Cobh, Youghal and Bundoran. As the father of young kids, this is simply unacceptable, and cannot continue.

Senator Trevor Ó Clochartaigh: Hear, hear.

Senator Cáit Keane: Hear, hear.

Deputy Alan Kelly: It is outrageous that this is continuing as we move into 2015.

Senator David Cullinane: Hear, hear.

Deputy Alan Kelly: I am glad the Senator agrees. It cannot be allowed to continue.

Nationally, our population is increasing, and that is to be welcomed. Our economy is growing, and our climate is changing. I will return to the House in the new year to talk about that very important issue. These realities bring new demands and challenges for our water system, realities that a single national utility is best equipped to manage.

Ireland's water challenges are not unique. Water demand is rising and supply is becoming less secure. By 2030, the world is expected to need 40% more water than will be available. We are distinct from most countries in the level of freshwater available, a benefit we can turn to our advantage by creating a world class water sector that can attract water-intensive industries such as ICT, pharma-chem and agrifood to Ireland. These industries combined already sustain - I think this is a modest figures - well over 200,000 jobs between them. In order to have inward investment in this country, we must ensure that we have an adequate water supply. It is one of the questions that is asked of IDA Ireland when companies are looking at locating in this country. We often talk about the need for broadband in this country, and through my colleague, the Minister, Deputy Alex White, we are dealing with this. It is certainly an issue that has gone on way too long, but it is being dealt with. If we do not do something about water, however, broadband or other infrastructure issues will not be the first thing on people's list when they ask about Ireland. It will be water. We must face up to that.

By 2030, our river basin management plans will have been reviewed a further three times and the quality of our water bodies will have to have improved. Our rivers, lakes and other water bodies need greater protection not just for the protection of public health and our natural environment, but to ensure our thriving tourism industry can continue to prosper under the banner of Ireland's image as a clean, green country. I doubt anyone will stand in front of the House who absolutely wants to ensure that happens. It is a passion of mine. Environmental and economic regulation of water services must be inter-linked. The Government's water sector reforms are coherent responses to all these demands on our public water system. They are aimed at ensuring the country has security of clean, reliable water supply and adequate wastewater treatment - when I say "wastewater", I mean sewage, because that is what it is - so that our communities, economy and environment are served by a public water system fit for the 21st century.

Irish Water was established in July 2013 and assumed responsibility for water services functions on 1 January this year. It has already shown the difference a single, national utility can make in making services more efficient, cost effective and national-minded. It has adopted a new approach to asset management which has resulted in a significant change of approach to infrastructural delivery. Central strategic planning is now based on accurate asset performance data and full control of all investment decisions. The utility is now planning investment consis-

tently across the asset base rather than on large-scale, one-off investments, which we have seen previously. An example of this is the proposed Ringsend wastewater treatment plant upgrade, where an alternative approach to a treatment plant extension will save Irish Water €170 million in capital investment.

Senator David Cullinane: Rubbish.

Deputy Alan Kelly: We can talk about that later.

Senator Cáit Keane: Where are the Senator's facts? It is not rubbish.

Deputy Alan Kelly: It simply is not rubbish. It is equivalent to the set-up costs of Irish Water. Basic mathematics shows that the figures put in for Ringsend wastewater treatment plant was €170 million more than what is now being expended. I would encourage the Senator to go down there and speak to the people there. Greater economies of scale, which are possible through having one national utility rather than 31 separate local authorities, has resulted in €12 million in procurement savings in the company's first year alone. That is a fact. That is not debatable. In relation to how it procures the various chemicals, instead of being done in 31 local authorities, it is done centrally. Through the economies of scale, it has made huge savings.

Senator David Norris: What about all the redundant local authority employees who-----

An Leas-Chathaoirleach: Will the Senator please allow the Minister to speak? As everybody will have an opportunity to contribute, it is unfair to interrupt the Minister.

Deputy Alan Kelly: That is okay.

Senator David Norris: Is there any chance of getting a glass of water?

Deputy Alan Kelly: In fairness, I am used to this House. In the area of electricity supply, a major cost in the production of water, Irish Water's current renewable and efficient energy initiatives aim to reduce costs by 33% by 2020. In April, Irish Water became the main contact point for customer queries and reports regarding water supply outages and water quality, through its customer call centre. This development was another milestone along the road to achieving a single, standardised national service throughout the country, with a greater focus on those who use the public services. Such progress would not have been possible without strong co-operation between Irish Water and local authorities, which have decades of experience of providing water and wastewater services with great care and dedication.

The 12-year service level agreements, now almost a year in existence, have proven to be a strong partnership between the local authorities' expertise in operations and the considerable network and utility management experience within the Ervia Group. This was most evident during Storm Darwin in February this year, when the two parties collaborated effectively to address emergency situations and maintain clear lines of communication with each other and with the public during a time of pressure on the public water system. The service level agreements between the local authorities and Irish Water contain specific measures to support the move to a utility model by the end of 2017, and towards continuous improvement in the system. An example of this is the new, digital approach towards work and asset management, procurement and inventory management capability. Irish Water and the Water Services Transition Office, which represents the interests of local authorities in the reform programme, recently agreed on a 2014-2017 transformation plan. The plan contains initiatives and measures to standardise

and improve operations, asset management, customer service, procurement improvement, and assets data intelligence. This, too, marks progress.

A key component of domestic water charges, which is central to the new funding model, is metering. Without metering, one cannot have usage-based charging, which the OECD, among others, has agreed is the fairest form of charging. As well as facilitating usage-based charging, the metering programme is detecting customer side leakage. Irish Water estimates that up to 49% of the water produced is lost in leakage, of which 5% to 6% is on the customer side. The presence of meters is helping Irish Water identify leakage that can be fixed through the “first fix free” scheme, which will cover leaks from the boundary of the property to a point as close as possible to the dwelling. Meters will help customers to identify leaks for which they are responsible and will help Irish Water identify leakage in the water network. Over time, metering will help to reduce domestic usage significantly, providing both environmental benefit and a reduction in national water demand, allowing variations in capital expenditure as a result because there will be no need to upgrade other systems due to the savings that are made.

The scale of the roll-out of the metering programme has been particularly impressive, despite everything. By any measurement, the domestic metering programme has been a success. Unparalleled anywhere in scale or ambition, Irish Water has installed approximately 533,000 meters in just over 16 months, with on average a meter being installed somewhere in Ireland every 30 seconds. The utility has already surpassed its end of year target six weeks ahead of schedule, and is delivering a programme that is sustaining approximately 1,300 jobs throughout the country, providing the kind of economic stimulus we need. I am sure everybody in the House agrees with that. It is also worth noting that about 84% of these jobs have gone to people in one of three social inclusion categories, namely, the unemployed; employees of SMEs; or graduates, school leavers or apprentices. This far exceeds the Government’s original target of 25%.

I have made much commentary on this issue and have spoken much on Irish Water and I am not trying to suggest that Irish Water has not had its problems, far from it. I will return to those. I accept mistakes were made. I accept mistakes were made by this Government. I accept mistakes were made by Irish Water. I hold my hands up and have admitted to that in the past. However, it is only fair that we should acknowledge what it has achieved and what it has done well in such a short period. These achievements should set the bar for the other parts of the company which, dare I say it, may not yet have matched the same public expectations. That has to change.

The new funding model for water services, including the introduction of domestic water charges, has also seen progress through Irish Water’s moves towards accessing third party funding, as well as the Government’s decisions on subvention, designed to ensure Irish Water is classified as a market corporation, thereby allowing the utility’s expenditure to be classified as off-balance sheet. This is critical in ensuring Irish Water accesses the level of third party funding needed to increase investment in water infrastructure from circa €300 million invested last year to the €600 million per annum that is required. Access to external funding from capital markets will help pave the way for sustainable investment in our public water system. This is very important for addressing the deficiencies concerning leakage, quality, supply and wastewater treatment that I mentioned.

Independent, economic regulation is central to a well-functioning public utility model and is essential if we are to ensure water customers are protected and that the new utility delivers

value for money. The Commission for Energy Regulation has already made a number of major decisions in relation to the regulation of Irish Water, decisions underpinned by public consultation. We have got to respect the independence of the Commission for Energy Regulation and the decisions it has made. In September, the CER approved an overall allowed revenue for Irish Water for the period from 1 October 2014 to the end of 2016. This reflected a reduction in proposed operational costs by the end of 2016 through a 7% annual efficiency challenge, as well as a 7% annual capital efficiency challenge to non-committed capital costs, excluding capital maintenance.

The Government package to make charges more affordable and certain has not impacted on either the level of controllable operational costs or the capital spending approved by the CER. This is a very important point, as the independent review of Irish Water costs is at the heart of regulating our water sector and giving customers and taxpayers comfort that only efficient costs are being funded. The Government has made an adjustment to the manner in which commercial rates are treated, which I will come to shortly, but this is considered as a pass-through cost by the CER. These expenditure controls and efficiency targets are essential if we are to reduce the cost of delivering water services. Beyond the first interim revenue control period of 2014 to 2016, Irish Water will continue to submit its costs and capital plans to the CER in the future in order that the regulator sets the overall allowed revenue and approved capital investment levels.

The regulator has also made decisions about customer protections through publication of the customer handbook, and is due to announce a timeline for the establishment of an enduring tariff framework for non-domestic customers before the end of the year. This will provide greater clarity to the non-domestic sector on the future of tariffs.

1 o'clock

There has been substantial progress towards creating a modern, fit-for-purpose water sector. This Bill marks another step along the journey to a full utility model and a sustainable financial model for water services.

I will now move on to the contents of the Bill, before summarising at the end. Before I set out the provisions of the Bill, I would like to address some matters which are not provided for in this Bill. The Government package announced last month also referred to a suite of measures which would apply if households did not pay. These will be brought forward in separate legislation in the new year, and will be the subject of stakeholder engagement.

I will now outline the purpose and operation of each section of the Bill. Section 1 sets out the definitions of terms used in the Bill. Section 2 provides for a plebiscite on the ownership of Irish Water. It provides that where a Government proposes to initiate legislation which amends the existing legislation setting out the ownership of shares in Irish Water, such a proposal cannot be initiated without a resolution from both Houses of the Oireachtas. Subject to such resolutions being passed, the Government would then be required to submit the proposal to a plebiscite of all people eligible to vote on at a referendum on a proposal for an amendment to the Constitution. This Government is committed to retaining Irish Water in public ownership and has already provided a statutory prohibition on its disposal. This section will ensure that the people will have to be consulted if there is, at some time in the future, a Government that is minded to try to dispose of Irish Water, which is highly unlikely.

Section 3 provides for amendments to the charges applying to domestic customers of Irish

Water and the requirement for Irish Water to amend its water charges plan to address these amendments. This section also provides that Irish Water may not commence charges for water services to domestic customers before 1 January 2015. Arrangements for the charging for non-domestic customers and charges for connections as reflected in the water charges plan approved by the Commission for Energy Regulation are not impacted by this change. The provisions of this section will be deemed to be part of the water charges plan approved by the Commission for Energy Regulation on 30 September 2014. The section also provides for Irish Water to submit any consequential amendments, such as the reflection of provisions in quarterly bills, to the Commission for Energy Regulation for approval.

The main aspects of the amendments to charges are as follows: a capped maximum charge of €160 for a dwelling occupied by not more than one adult; a capped maximum charge of €260 for an unoccupied dwelling or a dwelling occupied by two or more adults; provision that only 50% of the maximum charges may be applied where a dwelling receives only one service from Irish Water, that is, only a water supply or sewage service; the automatic application of a charge of €260 for any dwelling that has not registered as a customer of Irish Water by a prescribed date; the setting of a maximum volumetric charge of not more than €1.85 per 1,000 litres of water or €3.70 for each 1,000 litres of water and sewage services provided – these volumetric charges will apply up to the capped maximum charges I outlined earlier; in the light of the approach of reduced volumetric charge and maximum charges, the removal of the household water allowance previously provided for; and confirmation that the child allowance provided under the approved water charges plan shall apply to all persons under the age of 18. This section provides that the amended charges shall apply for the period 1 January 2015 to 31 December 2018. It also provides that the Minister may, following consultation with the Minister for Public Expenditure and Reform, by order, set maximum charges for periods after 31 December 2018. That is a very important component.

Section 4 provides that where a customer has not paid their water charges and has not entered into a payment plan with Irish Water, Irish Water shall charge a late payment fee for each year the arrears remain unpaid. The late payment fees that will apply are of €30 for a dwelling occupied by not more than one adult or €60 for an unoccupied dwelling or a dwelling occupied by two or more adults. These fees will apply for each year that arrears remain unpaid.

Section 5 provides for eligible householders to be paid an annual water conservation grant, which they can use to assist with water conservation in their homes. The Government has decided that the annual grant should be €100 per household. The estimated cost of this grant in 2015 is €130 million, and will not be incurred by Irish Water or be funded by domestic water charges, but is a completely independent measure, to be funded by the Exchequer. The section provides that in 2015, to be eligible for a grant, a household shall have provided information on the water supply to their dwelling to Irish Water and any necessary information required by the Minister for Social Protection. The section provides for the Minister for the Environment, Community and Local Government to prescribe a date by which householders should register with Irish Water details of their water supply and wastewater treatment. The section also provides that a person resident in a nursing home or other residential care facility would be eligible to claim the grant in respect of his or her own house, provided the house is not rented to another person.

Section 6 provides for the prohibition on the reduction of a supply to a domestic dwelling. This is an amendment to the Water Services (No. 2) Act 2013 and provides that Irish Water shall be prohibited from either disconnecting or reducing the supply of water to a dwelling because

of an unpaid bill. I announced this in Cork a few weeks ago and everyone in the House should welcome it. I wanted, when I took this job, to ensure that was announced as quickly as possible.

Section 7 provides for the establishment of a public water forum by the Commission for Energy Regulation. It is proposed that the forum would have at least 12 and not more than 60 members, who would be representative of the interests of all customers of Irish Water. The forum would have a broad role in reviewing and commenting on the various strategies and plans for Irish Water, including investment plans and water charges plans. There is provision for the Minister to make regulations in respect of the composition of this forum, but I will be taking on other views.

Section 8 provides for statutory powers for the Commission for Energy Regulation to provide a dispute resolution service for unresolved complaints of customers of Irish Water. The service would be similar to that operated by the commission for customers in the energy sector. It also provides that the commission would prepare an annual report on the number and types of complaints made under the section and, more generally, the service levels provided by Irish Water.

Section 9 provides for a number of technical amendments to the superannuation provisions contained in the Water Services (No. 2) Act 2013 and the Gas Act 1976. These amendments are technical and they are necessary to clarify that Irish Water does not have financial liability for the past service of officers of the Minister or local authorities, other than the net effect of any increase in pensionable remuneration due to service with Irish Water. A separate scheme will cover the past service of such employees and this will remain funded by the State. It is something that the workers and the unions in Irish Water need as soon as possible.

Section 10 deals with loans taken out by local authorities to fund capital investment in water services. Intensive work has been under way during 2014 on preparing for asset and liability transfer and through this process the need for flexibility on some of the arrangements set out in the Water Services (No. 2) Act were highlighted. It is important to stress that the local authorities will not be left to carry any liabilities as a result of the proposals in this section. This section provides that where the Minister makes an order to provide that water services property is transferred from a local authority to Irish Water, any financial loans associated with the property are not automatically transferred to Irish Water. Section 14 of the Water Services (No. 2) Act 2013 allows for any liabilities to be separately transferred. This simply allows for the two processes to be handled separately. For example, it is not proposed to transfer some of these loans issued by the Housing Finance Agency to Irish Water as they are already part of the Government debt and to do so would impact on Irish Water's debt-raising capacity for new investment and would also potentially increase customer charges. However, to ensure that the liability is not left with local authorities, subsection (3) of this section provides a mechanism to unwind the debt from a local authority perspective, by providing for the payment of up to €460 million from the Central Fund to local authorities for the purpose of repaying such loans to the Housing Finance Agency. It is really just moving money from one side of the State to the other. The section also provides that any transfer of property by the Minister shall not be treated as a disposal of property by a local authority. This is to ensure that there is no adverse impact on the financial standing of local authorities from the transfer of assets to Irish Water.

Section 11 provides for the abolition of the power of Irish Water to require the PPS numbers of its customers. The purpose of this section is to provide that Irish Water shall no longer have the power to request details of PPS numbers. The section, which makes amendments to

the Social Welfare Consolidation Act 2005 and the Social Welfare and Pensions Act 2014, will be commenced by the Minister for Social Protection following consultation with the Minister for the Environment, Community and Local Government. This deferred commencement is necessary to ensure Irish Water can complete the work of deleting any PPS information that it had previously been provided with. This exercise is under way and is being carried out in accordance with a protocol Irish Water developed in consultation with the Office of the Data Protection Commissioner. It is very necessary.

Section 12 provides that public water services property shall not be rateable. This section provides that land used for the provision of public water services is not rateable for the purposes of the Valuation Act 2001.

This exemption will apply to Irish Water for the provision of water supply and waste water treatment and, importantly, to group water supplies. From a financial perspective the changes arising from the provisions in this Bill will involve a reduction in revenue for Irish Water of €21 million in 2015 and €56 million in 2016. However, Irish Water's costs will also be reduced as a result of the approach to the treatment of water infrastructure for commercial rates purposes, such that the subvention does not need to be paid to Irish Water to fund this cost. Equivalent support, of approximately €59 million, will be given directly to the local authorities through the Local Government Fund.

Section 13 provides for an increase in membership of the board of Ervia. The purpose of this section is to provide for an increase in the maximum number of members who may be appointed to the board of Ervia. The measure is part of a reorganisation of the corporate governance structures of Ervia and of Irish Water. A single nonexecutive board at Ervia level will be responsible for the governance of both companies. The increase in the maximum number of members will ensure that the board has adequate water services experience and expertise. I feel this is absolutely necessary. We need to bring in experts with experience in this area across a wide range of issues. That process is under way.

Section 14 is a standard provision that provides that the Minister may make regulations to prescribe any matter referred to in the Act as "prescribed" or "to be prescribed". Section 15 is a standard provision providing that any expenses incurred by the Minister in the administration of the Act shall be paid out of moneys provided by the Oireachtas, subject to the sanction of the Minister of Public Expenditure and Reform.

Section 16 is a standard provision to provide for the Short Title and provide that the Water Services Acts 2007 to 2014 may be cited as such and construed together as one.

Significant progress has been achieved. The structures that have been put in place to date will serve to ensure we have clean, reliable water supplies for our communities and our economy, and adequate wastewater treatment to protect public health and our environment for the long term. The next step is the introduction of a fair and affordable system of water charges and a more robust governance structure for the company that we have entrusted with delivering such a vital public service. The Government recognises that charges must be simple, fair and affordable. People are entitled to clarity on how much their charges will be for the coming years while being given an incentive to conserve water. The package legislated for in the Bill achieves these objectives.

Over 950,000 households have responded to Irish Water's customer application campaign

so far. The Government has sought to address the concerns of those who have registered and those who have yet to do so. We are simplifying the level and structure of domestic water charges and addressing the genuine public concerns about the governance, ownership and operations of Irish Water. I look forward to a valuable debate on this legislation.

I respect this House and the decisions it must make in the coming days on this Bill. I would not concur with any comments of others who have said the Seanad has to make a certain defined decision or ensure this legislation is passed. We have to have a robust debate, including in this House, and I am here to take part in it. I respect the House and the decision it must make. Everyone in here has a mandate or has served his time here and I respect the fact that everyone has individual decisions to make as part of the process. As a result, we will have a robust debate and come to our conclusions in a fair manner. I look forward to the debate and will obviously be talking to the Senators later.

An Leas-Chathaoirleach: Before we move on to the first speaker, I welcome to the Visitors Gallery Mr. Valdis Liepins, a Member of the Latvian Parliament. He is most welcome. Everybody will be allowed to contribute on the Water Services Bill at some stage but they should be aware that the Appropriation Bill, which was ordered for today, will be taken from 2 p.m. to 3.45 p.m.

Senator Ivana Bacik: The Health Insurance (Amendment) Bill.

Senator Darragh O'Brien: There are to be two Bills taken in that time.

An Leas-Chathaoirleach: Sorry. There are two Bills but there will be a gap in the consideration of the Water Services Bill from 2 p.m. until 3.45 p.m. It could be 6 p.m. before a Senator gets to contribute but everybody will get to do so. I reassure those who are concerned they may not get to contribute.

Senator Jim Walsh: Cuirim fáilte ar ais roimh an Aire go dtí an Teach. Mar a dúirt sé féin, bhí sé ina Theachta sa Seanad ar feadh téarma amháin. Ansin, blianta ó shin, chuaigh sé go dtí Parlaimint na hEorpa. I welcome the Minister and thank him for what was a comprehensive outline of the difficulties he inherited when he entered office. I would like to start by repeating what I said on Second Stage of the Water Services (No. 2) Bill 2013 on 4 December 2013. It is illustrative of why the Minister is facing opposition and why a hornet's nest has been stirred up regarding this controversy. I said:

Our party is opposing the Bill for some of the reasons I mentioned. We are not alone in opposing this Bill. The Labour Party's election manifesto stated it did not favour water charges. On 18 February 2011, the Minister for Public Expenditure and Reform, Deputy Howlin, said the Labour Party did not favour water charges. On 28 June 2010, the [then] leader of Labour Party, the Tánaiste and Minister for Foreign Affairs and Trade, Deputy Gilmore, stated ... he was against water charges, that water was a necessity, that he always believed essential services like water should be delivered as a public service, that a flat household charge would be unfair as it would not discriminate between houses with five bathrooms or no bathroom, and that metering was unworkable. That comment was made by the Tánaiste three years ago.

Of course, the Labour Party was then in opposition. Therein lies the problem.

Deputy Alan Kelly: Now the Senator's party is in opposition.

Senator Jim Walsh: Is it any wonder people are so enraged over such political cynicism. I understand that when the Water Services (No. 2) Bill was being debated in the Dáil, it was guillotined after three hours. Since the inception in 2011 of the Government of which the Minister, Deputy Kelly, is now a member, its hallmark has been the use of the guillotine on many occasions. Consequently, many issues that have arisen and come back to haunt the Government could have been anticipated had debates been allowed to continue, had there been respect and had the Government listened to what was said during the parliamentary process. That has not happened. It is interesting that every major issue of public concern regarding the legislation introduced last year was flagged during the debate this time last year.

Senator Diarmuid Wilson: Hear, hear.

Senator Jim Walsh: Let me outline where I stand personally. In 1983, Dick Spring, the then leader of the Labour Party, introduced domestic water charges for the first time. I was a member of Wexford County Council at the time. We would have had water charges within the rural area but never within the urban area. As I stated on the last occasion, I did not have a principled objection to a reasonable charge. While we had a majority on our town council, we agreed the charge should be effected by the local authority in the interest of providing revenue for the service. There was long-term opposition at the time among the public, particularly in Dublin, but it had almost petered out by 1996 when current Deputy Joe Higgins, who was probably the lone voice opposing water charges, did well in a by-election. My constituency colleague Deputy Brendan Howlin, who was Minister at the time, abolished the water charges. To some extent, I do not have sympathy for the Government over its predicament because it represents poetic justice. What was done was done for political reasons. This highlights that populist politics eventually comes back to bite one. While there might be a perceived short-term gain associated with the current policy, it is a foolish one to pursue in the medium to long term. I hope all parties will desist from this in the future.

During the debate last year I raised serious concerns about placing this in the stable of Bord Gáis. Bord Gáis is not, and certainly was not, a model of good corporate governance when it came to cost controls, cost-effectiveness and efficiencies. Why it was put in there is beyond me. Unfortunately, the Bill continues this process. It needs a much more commercially well-run corporate focus than it will have. The Government came in on a promise of abolishing the proliferation of quangos which had been introduced over many decades. I certainly subscribe to this. However, here we have the introduction of a super-quango. In fact, it is the mother of all quangos.

One area the Minister should review is the structure which has been established. We not only attached Irish Water to Bord Gáis, but we overstaffed it from the beginning. We told the people who will be paying for it that the number of staff would correct itself by 2026 through natural wastage. In other words, they are to bear the cost for the next 12 years until it comes right, rather than structuring it in a cost-efficient way from the beginning. We have spent approximately €700 million on consultants and metering, and it is very difficult to say how this will be returned. It will take many years to recover the capital costs involved. At any stage last year or this year was a business plan prepared for Uisce Éireann which would illustrate to us the internal rate of return? It is standard practice for anyone in the private sector making an investment to work out initially the internal rate of return. Often the decision will be based on the outcome of this. I hope this has been done, but I would be pleasantly surprised if it was. Unfortunately, it is not how the public service works. While there is a lot of political flak with regard to this issue, when Ministers get themselves into difficulties, and I saw it with many of

my colleagues when we were in government, it is not always the Ministers' fault. People on very high salaries do not fulfil the responsibilities they have. Covering for these people needs to be changed and examined.

With regard to regulation, I have no confidence in the Commission for Energy Regulation or others. None of them has proved to be champions of the consumer.

With regard to the plebiscite, did the Cabinet seek advice from the Attorney General on putting a referendum to the people on this and what was the outcome? I am not happy we have a public monopoly. A private monopoly would be a disaster. Sinn Féin in its budget submission a few months ago included in its figures the part-privatisation of Uisce Éireann to buttress some of its figures. Very little focus has been placed on this by the media or anybody else.

Senator Marie-Louise O'Donnell: Hear, hear.

Senator Jim Walsh: It is a question that needs to be asked.

Deputy Alan Kelly: Thank you for pointing it out.

Senator Jim Walsh: The Minister will respect the fact we will be extremely anxious to ensure this will not become a private monopoly. If we had gone down the route of trying to engender competition, it would control costs because this is generally the recipe for keeping costs right. A suggestion we made, which was not examined at all, obviously, was to have an overarching body which would have ensured efficiency in the local authority system and would have assessed and compared local authorities and ensured best practice applied across the board. I fully acknowledge there is need for investment in the infrastructure and the distribution system. Many local authorities are good exemplars of this, but many are not. The significant difference between those which are good and those which are not is that those which are good had good county managers but the others did not.

I acknowledge the Minister has made a good effort to try to resolve the issue. In the past he has shown good sports judgment and he has applied it to this.

Deputy Alan Kelly: I do not know about that any more. We are not winning too many.

Senator Jim Walsh: If this had been done at the start, we would not have had the uproar we do among the public, who have been burdened with so many costs.

Continuing the campaign on water charges is totally misguided. The most unfair tax we have is the universal social charge. When it was introduced, the Fianna Fáil Minister at the time stated that when the fiscal position improved, it would be the first to be tackled and removed. I get indications from the Government that it is cementing it into the process.

Senator Cáit Keane: I welcome the Minister to the House for this very important debate on the establishment of Irish Water and the water measures announced recently by the Minister, Deputy Kelly. We are here for what I hope will be a very rational and calm discussion on the very important issue of how we will ensure we have a safe, clean and adequate supply of water to serve the country's needs in the years to come. To ensure we have a customer-centred focus, the Government has listened to the people and committed to establishing a public forum on a statutory basis to ensure that from now on, everybody will have an input on how safe, clean and adequate water is provided.

Fear of the unknown and uncertainty led to many of the problems we have faced in the establishment of Irish Water, particularly the uncertainty about affordability. The Government has listened and this has been addressed. I compliment the Minister on this.

The Bill provides for introduction of a water conservation grant of €100. This is aimed at enabling people to purchase water-saving devices and will ease the burden. I am always harping on about water harvesting and perhaps the Minister will go down this road another day. The Minister has outlined the affordable charges of €60 per year for a single household and €160 for others. This is €1.15 or €3 per week, which is quite affordable. We are considered a green and clean nation and we want to ensure we remain so. Everybody in Ireland should consider this when considering water and pollution. We have much to offer. A total of 950,000 people have recognised this and have signed up to Irish Water. There are two months to go before the deadline and I ask people to consider every aspect. I believe in paying for water. I believe in having a clean supply. I, more than many, suffered at the doors in Dublin South-West. I listened to the people, and the issue of uncertainty was raised at many doors. This has now been addressed.

The neglect of our water infrastructure has been absolutely disgraceful. Celtic tiger, how are you. We should have invested then. We do not have the choice now. It should have been done long ago. We should have invested in our water infrastructure. The question is how we fund it now. The Government has turned the country around from going to the wall. It is now taking on the responsible attitude of funding water. The solution for those on the left is to raise taxes on working people, not on rich people but on working people earning the average industrial wage. A total of €600 million must be invested annually in water to ensure we have a clean supply. It must also be kept off the books to ensure we reach the troika target of a 3% deficit by the end of the year. With regard to Fianna Fáil and the troika-----

Senator Diarmuid Wilson: And the Progressive Democrats. Do not forget the PDs.

Senator Cáit Keane: This is what was signed up to by the previous Government in case they forget:

The Commission for Energy Regulation (CER) will carry out consultations to determine the framework for household water charges with a view to start charging by the end of the EU-IMF programme period. The CER will also conduct consultations in due course to determine the pricing methodology for the non-domestic sector.

The Government will publish the General Scheme of a Water Services Bill with the aim of defining the regulatory framework for the water sector under a national public utility, setting and providing for the establishment of Irish Water in its final form.

That is a fact and it is on the record. That is the agreement made by the previous Government. The agreed figure was €400 per household.

Senator Diarmuid Wilson: Fiction. That is not correct.

Senator Cáit Keane: We cannot argue with what is written down. It is a fact. We have heard negatives all the time about Irish Water so we should hear some of the positives as well. The Minister has outlined some of the positives about the setting up of Irish Water.

Senator Diarmuid Wilson: The Senator is reading a manifesto.

Senator Cáit Keane: May I have the protection of the Chair, as other speakers have had?

Acting Chairman (Senator Paschal Mooney): The Chair was in transition but we will do our best to protect the Senator.

Senator Cáit Keane: As a nation and a planet we will reach a stage where we will use 40% more water than will be available. In this country we have plenty of water but it costs a lot of money to treat it and we cannot just take it from the sky and drink it. We must ensure that we encourage the economic well-being of this country and bring people to this country. As the Minister has indicated, we need to bring information and technology companies and those involved with the web to replace those which have closed. We do not want to send out the wrong message. We are at 98% capacity in our water usage in Dublin and most European countries have 15% capacity left. We are teetering on the edge of disaster, which could come if there is one major problem affecting 4% of total capacity. I ask people to please use our national resources constructively for the benefit of the people.

The establishment of Irish Water is the best model to ensure a sustainable water infrastructure and security of supply. In his speech, the Minister set out some of the benefits. Nevertheless, Irish Water has been criticised from the right, left and centre; this is rightly so in some instances, particularly with regard to communication and how it dealt with people's uncertainty. As the Minister indicated, it has installed 533,000 meters in a little over 16 months, with much interruption.

Senator Gerard P. Craughwell: We do not need them.

Senator Cáit Keane: There is a meter installed in the equivalent of every 30 seconds.

Senator James Heffernan: They are ornaments.

Senator Cáit Keane: Think of how many people are employed in that process. All of that must be taken into consideration. The income tax change in the last budget will ensure that €396 will go back into every person's pocket and the point at which the universal social charge is implemented was also raised from approximately €10,000 to €12,000. Even after paying the €160 in water charges, people on the minimum wage will be €236 better off. This Government will ensure those people will be much better off next year.

Senator Gerard P. Craughwell: We would chop a load off that.

Senator Cáit Keane: We will have a much cleaner supply of water. The affordability will underpin all future Government policy in this regard and the affordability level has been demonstrated by the Minister. Deputies on big salaries say they are not paying this but maybe if everybody on €80,000, such as the leaders of unions, like Mr. Ogle-----

Senator Gerard P. Craughwell: Do not start on the unions, please.

Senator Cáit Keane: Perhaps if they paid their fair share, everybody else would pay much less.

Acting Chairman (Senator Paschal Mooney): I remind the Senator that she should not name people who are not in the House.

Senator Cáit Keane: Okay. I withdraw the name. Elected representatives who are chosen to govern should lead by example and not by saying they have been elected to break the law. These people should be courageous. A previous speaker mentioned populism and localism but

we should think of our people and what is good for the country. They should tell the truth about what makes water clean and affordable in a fair way. They should not pretend the position is otherwise.

Section 2 allows for a plebiscite, and that means Irish Water will never be privatised. Replacing the word “may” with “shall” ensures it will not be privatised.

Senator Diarmuid Wilson: That amendment is not worth the paper it is written on.

Senator Gerard P. Craughwell: A plebiscite is-----

Senator Cáit Keane: Shares cannot be transferred-----

Senator Gerard P. Craughwell: It changes nothing.

Senator Cáit Keane: -----or sold without the proposal being put to the people.

Senator Fidelma Healy Eames: It is a fix. That is very evident.

Senator Gerard P. Craughwell: It surely is a fix.

Senator Cáit Keane: Metering will decrease leakage and help people reduce consumption by between 10% and 15%. It is estimated that approximately half of households will be able to beat the cap and receive lower bills by having a meter.

Senator James Heffernan: Ridiculous.

Senator Cáit Keane: People resident in nursing homes or residential care facilities will be eligible to claim the grant, provided the property in question is not rented out. Only people who sign up will be able to claim the grant.

The customer resolution dispute process is very important as we will be able to see what types of complaints are being made. It is only by knowing this that the system can be corrected. We cannot do everything in one day or year. There will be flaws, as we have admitted, and there have been flaws in the past. There will be other issues but the Government is committed, by listening to the Commission for Energy Regulation and any complaints made, to deal with any complaints of a reasonable nature.

The Minister mentioned non-payment and it is only fair that people who can pay should do so. The Minister will bring forward regulations in that regard. The question was asked why should anybody pay if the people who can afford to do so walk away. There will always be people who cannot afford to pay and they must always be helped. There is no doubt they will be helped. There are easy payment methods even for people at the pin of the collar.

I thank the people of Ireland for saving this country. No Government saved it but instead it was the people of Ireland. We are working with those people to put a few bob back in their pocket and ensure that the people who can pay are helped along the line.

Senator Darragh O’Brien: The Senator was going grand up until that.

Senator Cáit Keane: The Minister has committed to doing that.

Senator Gerard P. Craughwell: There is no money.

Senator Katherine Zappone: I welcome the Minister and thank him for his respectful comments. Two days after the recent national water protest on the streets of Dublin, when a substantial number of citizens and residents exercised their right to free assembly, the Economic and Social Research Institute published a paper entitled *Distributional Impact of Tax, Welfare and Public Service Pay Policies: Budget 2015 and Budgets 2009-2015*. The paper examines the impact of budget 2015 on households at different income levels. These eminent social scientists conclude that budget 2015 will have its greatest impact on the 10% of households with the lowest incomes. These households take in approximately €8,700; their net household income - net of income and the revised water charges, inclusive of the conservation grant - will reduce by 1% or approximately €87. Smaller losses will be experienced by most middle-income households, with small percentage gains for higher-income households. The greatest gain will be close to 0.5% for the top 10% of households, which take in approximately €159,000. That means they will gain approximately €795. When the ESRI professors analyse the combined budgetary effects of 2008 to 2015, they find that households with incomes in the middle, or approximately €35,000, had substantial losses from budgetary action at between 10% and 11%, or approximately €3,500.

This is the evidence, so I do not find it surprising that the people I witnessed and spoke with on the 10 December protest were deeply concerned about the affordability of water charges and their ability to pay. As the Minister and Senators are aware, much of the mobilisation of protestors is based on a belief in “the right to water”. I am not a member of the Right2Water campaign because I do not agree with its entire platform but the right to water and sanitation are included in the United Nations interpretation of economic, social and cultural rights. The right to water does not mean that we should not pay for it but it does mean that charges which control access to water and sanitation should be affordable and fair. I suggest that if this Government is genuinely committed to affordability and fairness, it should accept the recommendation of the Constitutional Convention that our Constitution should be amended to strengthen the protection of economic, social and cultural rights. If the Government is not willing to put a referendum to the people to make a choice to guarantee public ownership of water - our collective natural resource - the next best action would be for the Government to accept the convention’s recommendation on economic, social and cultural rights. I was very disappointed that “strengthening economic, social and cultural rights” was not chosen this week by the Cabinet as another referendum to put to the people.

Many critics of the Government’s establishment of Irish Water call it a quango. We have already heard the word this afternoon. That is a derogatory term, although one definition indicates that a quango is simply an organisation that is financed by a government but acts independently of it. How can we transform a quango into a public utility that provides people’s right to water in a fair, affordable, efficient and effective manner? It can be done in this Bill but not without some further amendments. I am not of the view that we need to abolish Irish water and as lawmakers we have in our power the ability to transform it. I hope the Minister and Senators will grasp that opportunity.

I have two primary concerns about the Water Services Bill 2014. The first is the public ownership of Irish Water. The Minister has said that the Bill before us, in its new form as well as in its earlier form, as introduced in the Dáil, gives people certainty that Irish Water will remain in public ownership. I do not agree with that assertion. However, I am in agreement with the Minister that in this law the Government should give people such certainty. Public ownership is the best way to protect our collective natural resource and to ensure the right to water and

sanitation. Many Deputies on both sides of the other House spoke and many Senators, I am sure, will speak eloquently about this. What I want to say is that public ownership, and only public ownership, will guarantee that charges are fair and affordable. Only public ownership will require transparent and ethical governance. Only public ownership will insist on efficient management free of cronyism and an unacceptable bonus culture, and only public ownership will provide structured customer engagement and influence in setting the charges and maintaining an ethical form of governance and an effective management.

The plebiscite as framed within this Bill is a proposal that asks the people if they would agree to privatisation. It is not a plebiscite that asks the people if they would agree to public ownership. That is how it is framed in the Bill. It is a plebiscite framed to ask the people would they agree to privatisation. Therefore, a plebiscite framed in this way simply does not guarantee public ownership of Irish Water. Why is this? Under Article 10 of the Irish Constitution, the Oireachtas is empowered to enact legislation for the purpose of regulating the alienation, whether temporary or permanent, of lands, mines, minerals and water. What does that mean? In a nutshell, it means that our Constitution allows for the Oireachtas to pass law that sells, transfers, leases or gives away our natural resources. Our Constitution, as it is currently framed, allows lawmakers to transfer natural resources from the State's ownership to someone else. Therefore, the promise of a plebiscite to the people to ask them if they agree with an Oireachtas proposal to privatise or to alienate hardly provides an adequate guarantee. Even if this law is enacted in its present form, the constitutional guarantee will continue to be that lawmakers can transfer natural resources from the State's ownership to someone else. Only a referendum could change that foundational constitutional guarantee to elected representatives that they can make law to privatise water.

I heard some of the Minister's comments on why the Government is not going for a referendum. I heard, "We cannot do it; it is too complex", or: "We will not do it; it is too complex." I heard, "We will not do it", and not: "We cannot do it because it is too complex."

My second primary concern is fairness and ability to pay. All of us in this House know that the capped charges are an interim measure that responds to the crisis of public trust in politics. Many of us are concerned that the revenue raised from households as suggested in this Bill will not sustain Irish Water financially and, hence, these charges will have to be raised in 2019. The people who protested on the streets of Tallaght and throughout the country know this as well. They do not trust the promises made by Government that the water charges will remain affordable until 2019 when the charges regime provided for in this Bill expires. People need financial certainty and this Bill does not provide it beyond 2018. Water charges need to be affordable and fair for the people. They need to promote water conservation and be economically sustainable, both for the utility and the State. It is vital that Irish Water passes the market corporation test in April, because the reverse would have serious consequences for the Irish economy. Hence, the economic as much as the political sustainability of the fee structure needs to be considered.

I do not believe it is fair, cost-effective or practical for the State to subsidise the water bills of the nation's top earners for the same value as the low income groups. My positive proposal is that households will not pay more than 0.5% of their net household income on water charges, neither now nor after 31 December 2018. The charging regime set out by this Bill for the three-year period provides this guarantee for households earning more than €34,000 a year. In other words, it provides a guarantee that they will not pay more than 0.5% of their net income, but it does not provide a guarantee for those earning under €34,000, even when taking the water conservation grant into consideration. Therefore, it does not provide a guarantee that those earning

under €34,000 will pay only 0.5% of their net income. I will be bringing forward amendments therefore that will ensure the cap in the water charges is linked to 0.5% of the household's net income when that is lower than the flat charge. This will start to bring more fairness and ensure affordability in the charges regime.

Senator Denis Landy: I welcome the Minister to the House and I thank him for his opening statement which brought more clarity to the situation and to the intent of this Bill. It is true to say, as has been said by Senator Walsh, that we had a major debate on the issue of water in this House last year. It is also true to say that it is very good that the Seanad has been retained by the people because the changes that have occurred also bring into focus the importance of the debate that was held in this House. It is also important that this House was retained because what we did successfully as Members of the House is see to it that many of the issues that we raised in the House are being dealt with in this Bill. Many of the issues raised at the Committee on Environment, Culture and the Gaeltacht are dealt with in the Bill. I have spent the past half an hour looking at my own contributions, both at the committee and in this House, on the previous Bill and since then. Practically all of the issues I raised during that time are now dealt with in this Bill. For that reason, the people were very wise when they retained the Seanad - not because of my contribution but because of all of them.

We have had 20 hours of debate on water in this House. It has been successful. We see that the Minister has enshrined in this legislation that the people will decide if and when, if ever, Irish Water is to be privatised. What amuses and amazes me are the concerns of certain elements - they do not accept democracy in all its forms - because nobody, that I am aware of, in either House, has expressed a view, publicly at least, that Irish Water or that water should be privatised. Nobody elected to this House or the Lower House that I am aware of has expressed that publicly.

Senator Darragh O'Brien: Fine Gael would sell it tomorrow if it could.

Senator Denis Landy: No one has expressed it publicly. I repeat what I say. We are in a situation where we have another issue causing concern to the public and being aired daily. The cost has been reduced so greatly by the Minister in this legislation that most reasonable people that I have met accept that water is being supplied at the lowest possible level of charge. We have therefore also resolved the issue of cost for most reasonable people in this country. We have dealt with the privatisation issue and the billing issue and we have brought certainty into the charges. No one can be sure what is going to happen in ten years time on any issue. So far as it can be done, we have brought certainty by setting out the schedule for charging. We have brought simplicity to the billing system. We will see a situation where people can pay €5 a week, or whatever other sum they like, towards their water costs in their local post offices.

Senator Diarmuid Wilson: If they have post offices.

Senator Mark Daly: Indeed.

Senator Denis Landy: Many of the issues that were raised here at that time have been dealt with. We have made the whole billing system simpler. We have also dealt with a concern I expressed when the legislation was discussed last year. I refer to the extent to which the service provider could be contacted by the public and by elected representatives at local level, namely, councillors. I have to say it started off extremely badly. When I checked with a number of councillors across the country this morning, all of them told me that the level of service from

Irish Water is excellent now. Responses to e-mails are being received on the same day. Work is being carried out within days of representations being made. That was a major issue for me and for elected councillors across the country after this responsibility was removed from the local authorities. That has been dealt with very well. I commend the Minister. I know he put personal work into that because I discussed it with him on several occasions.

The removal of PPS numbers, which is a major concern for reasonable people in this country, is an issue that will be dealt with as a result of this legislation. We have dealt with their reasonable and fair concerns by removing the appropriate provision from the Bill. I would like to compliment the Minister again. I have given him so many compliments today that he will be getting a little concerned.

Senator Darragh O'Brien: Does the Senator think the Minister is going to be the leader of his party soon?

Senator Denis Landy: I want to compliment him specifically on one issue.

Deputy Alan Kelly: It is a Tipperary thing.

Senator Denis Landy: The issue to which I refer is the transfer of staff to Irish Water from local authorities. I want to put it on the record of this House again that local authority staff were approached by the Department of the Environment, Community and Local Government and asked to enter into discussions and negotiations. Contrary to what has been suggested here previously, it did not happen the other way around. SIPTU is the main union that represents staff working on the ground, who earn between €35,000 and €40,000 per annum. We are not talking about the people who were subsequently taken on. I will deal with them in a minute.

Senator Gerard P. Craughwell: What happened to their bonuses?

Senator Denis Landy: I am talking about staff who have been brought across to Irish Water. The certainty of their employment has been assured in service level agreements. The bonus issue will be dealt with by the Labour Relations Commission because what was being done was disgraceful. It was part of their payscale, which was then an incremental system. I understand from my discussions with the union involved that this will be dealt with in the coming weeks. I welcome that. While this is a side issue, it is a very important one for people on relatively low salaries. I am glad this is being brought into the system. People maligned and attacked the staff for negotiating on their own behalf and getting service level agreements that guaranteed them their employment. I commend the staff and their union on doing that. Nothing less should be expected. Of course some people like to malign public sector workers. I completely and totally oppose the concept and the idea that someone in the private sector is a better being than someone in the public sector.

Deputy Alan Kelly: Hear, hear.

Senator Denis Landy: I have always opposed it. I would like to examine the logic of the argument that we should do nothing and just let the system sail on. In such circumstances, raw sewage will continue to flow into the rivers that go through 42 towns in this country. Lakes will continue to be contaminated. Some 20,000 people in Roscommon will continue to be on boil water notices, with nothing being done about it. That was the attitude of previous Administrations. Nothing was done about it. In my area of County Tipperary, the Fethard-Burncourt improvement scheme was on the books for approximately 25 years until this Government took

it on and provided the funding.

Deputy Alan Kelly: Hear, hear.

Senator Denis Landy: Nothing was done. All of the money was spent in other directions. Now the same people are expressing concern about what needs to be done in the system. I will not even mention who they are. I will not go there in this debate.

Senator Diarmuid Wilson: We will point out where the Senator is wrong in a few minutes.

Senator Denis Landy: With the greatest of respect to the Minister - this did not happen on his watch - I have to say that the establishment of Irish Water left much to be desired.

Senator David Cullinane: The Labour Party voted for it.

Senator Denis Landy: While I accept that savings will be made, I emphasise that a great deal of money has been spent and wasted. During our discussions with Irish Water at the Joint Committee on Environment, Culture and the Gaeltacht, a figure of €86 million was mentioned with regard to consultantancies. As part of the tendering process, the company that tendered for what is now Irish Water, Bord Gáis, assured the Government that it had in-house expertise. When it got the contract, the consultants suddenly had to be taken on. That is wrong. There is no point in saying otherwise. It should not have happened. I also-----

Acting Chairman (Senator Paschal Mooney): The Senator's time is up.

Senator Denis Landy: Thank you. I will leave it at that.

Senator David Norris: I would like to share my time equally with Senator Craughwell.

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

Senator David Norris: I sympathise with the Minister, Deputy Kelly, who is a decent and intelligent man who was handed a really poisoned chalice. Some of us have been raising the issue of water in this House for many years. I remember speaking about the campylobacter infection in the water and the whole question of raw sewage going in. Absolutely nobody in any Government listened. They did not give a damn.

I would like to make the point that up to now, we have paid for water services out of general taxation. Now that a specific water tax is being introduced, there is no proposal to reduce the general levels of taxation. It is absolutely clear that we are now paying for water twice. The logic of that statement is undeniable. Why are we doing it? We are doing it to pay off the gambling debts of the German and French banks. Everybody knows that is why we are doing it. I will remind the House of how we are being treated in return. This country was regarded with contempt by the European Central Bank when it asked the bank to send a representative here to explain its position, its letters and the way it held a gun to the head of this country. The banks said "no, we are not going to bother, what about you?".

I know it is not diplomatic to say I am sick to my back teeth of members of the Government bouncing around like turkey cocks on the plinth and expostulating about their awful difficulties - what they are going to do about the water charges and all this kind of thing. I know I should be sucking up to them and trying to wheedle them over here, but I am fed up with that because it does not work. They are happy out there, bouncing around and hoping to the lord God that

they will actually survive the coming culling.

I would like to ask the Minister about the water conservation grant, which is a right turkey. What is it conserving? How is it conserving anything? What has it got to do with conservation?

Senator David Cullinane: Nothing.

Senator David Norris: Could we have an answer to that? I presume the metering is still going on. I want to know why Irish Water did not take the trouble to put in a three-way meter that would register electricity, gas and water, particularly since the gas company is doing it. When I suggested this in the House previously, the Minister who was here at the time nodded.

I would like to refer to section 4(1) of this badly drafted Bill, which sets out what happens of “a customer of Irish Water has not paid any charges... and has not entered into a payment plan with Irish Water and which the customer complies with for payment of the charges by such date”. At the beginning of that sentence we are told that it relates to a non-compliant customer, but the end of the sentence refers to what happens if “the customer complies”. I ask the Minister to get the draftspeople to look at that again. I suggest the reference should be to “meeting the conditions”. If they are complying with it, grammatically that means they are paying for it.

With regard to the question of a plebiscite, I emphasise that a plebiscite is a just a consultation with the people. It is not binding. There is a pretence in this Bill that it is binding, but it is not. In any case, the Government can simply amend the legislation *ex post facto*.

Senator David Cullinane: Hear, hear.

Senator David Norris: In such circumstances, we will still be left with this. It is important that we recognise the value of our national assets. We ignored the fish, we ignored the oil and we ignored the gas. Now we are going to do the same to water, which is a national asset. Everybody knows we have to pay for the transport and treatment of water, but it is a national asset.

Acting Chairman (Senator Paschal Mooney): It is now 2 p.m. Senator Norris will have one minute of his agreed shared time remaining when the debate on this Bill resumes.

Debate adjourned.

2 o'clock

Appropriation Bill 2014: Second Stage

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

Acting Chairman (Senator Paschal Mooney): I welcome the Minister of State.

Senator Thomas Byrne: On a point of order, are paper copies of the Bill available? There is none in the anteroom.

Acting Chairman (Senator Paschal Mooney): We will check with the Seanad Office.

18 December 2014

Senator Thomas Byrne: It has been only passed in the Dáil and there were amendments.

Minister of State at the Department of Finance (Deputy Simon Harris): The Bill was not amended.

Senator Thomas Byrne: I do not know that, but there were amendments. I will accept the Minister of State's word on that.

Acting Chairman (Senator Paschal Mooney): We will check with the Seanad Office.

Senator Thomas Byrne: I propose we suspend until we have a paper copy of the Bill as it has just gone through the Dáil.

Senator Darragh O'Brien: It is important we would have a paper copy of the Bill and that we suspend until we have it.

Senator Lorraine Higgins: I propose we suspend until 2.10 p.m.

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

Sitting suspended at 2.03 p.m. and resumed at 2.10 p.m.

Deputy Simon Harris: I am pleased to introduce the Appropriation Bill 2014. This Bill serves two primary purposes. In the first place, the Appropriation Bill is necessary to authorise in law all of the expenditure that has been undertaken in 2014 on the basis of the Estimates that have already been voted on by the Dáil during the year.

The amounts included in section 1 and Schedule 1 to the Bill, to be appropriated for supply services, all relate to amounts included in the Estimates, set out in the Revised Estimates Volume 2014, voted upon by the Dáil in January 2014, as well as the Supplementary Estimates which have also been voted on in 2014.

Second, and of vital importance, the passage of the Appropriation Bill is also essential to provide a legal basis for all existing voted expenditure to continue into 2015. This allows payments including social welfare payments, salaries and pensions, and payments to suppliers for goods and services, to continue pending a vote by the Dáil on the 2015 Estimates.

In respect of capital carryover, under the rolling five year multi-annual capital envelopes introduced in previous budgets, Departments may carry over from the current year to the following year unspent capital up to a maximum of 10% of voted capital. Section 91 of the Finance Act 2004 made legal provision for this capital carryover by way of deferred surrender. Under this enabling legislation the normal requirement under the Exchequer and Audit Departments Act 1866 to surrender unspent moneys in a financial year to the Central Fund may be deferred in the case of capital moneys subject to a number of conditions. Among those conditions is that the unspent capital sums must be set out in the Appropriation Act by reference to the Votes concerned. The Appropriation Act determines definitively the capital amounts which may be carried over to the following year.

The capital carryover facility forms an integral part of the rolling multi-annual capital envelopes. The multi-annual system is designed to improve the efficiency and effectiveness of the management by Departments and agencies of capital programmes and projects. It recognises the difficulties inherent in the planning and profiling of capital expenditure and acknowledges

that for a myriad of reasons, capital projects may be subject to delays. The carryover facility allows for a portion of unspent moneys which would have been lost to the capital programmes and projects concerned, under the annual system of allocating capital, to be made available for spending on programme priorities in the subsequent year.

The amounts of capital carryover by Vote are set out in Schedule 2 to the Bill. It is proposed to carry over just over €79 million from a total capital programme of over €3.5 billion. This amount of €79 million is split across seven different Votes with the largest amounts arising on the Votes of the Departments of Transport, Tourism and Sport, Jobs, Enterprise and Innovation, and Agriculture, Food and the Marine.

The liabilities in respect of the first payroll payments to staff and pensioners mature on 1 January and 2 January 2015 and form part of the supply services for 2015. However, as funding needs to be in place to ensure staff and pensioners have access to funds on these dates, Government Departments and offices will need to pre-fund their commercial bank accounts. Section 3 of the Appropriation Bill 2014 puts in place a mechanism to provide for advances from the Central Fund to the Paymaster General's supply account in December 2014. These advances are to be repaid to the Central Fund in January 2015.

The provision in the Appropriation Bill provides a clear legal authority for Government Departments and offices to have a credit issued in respect of the Central Fund, that facilitates the accounting treatment of salaries and pensions payable on 1 and 2 January 2015, as expenditure that comes under moneys voted by the Dáil in 2015, where the usual processes and mechanisms for voted moneys in 2015 will apply.

Section 15(1) of the Health Service Executive (Financial Matters) Act 2014 provides that from 1 January 2015, the Health Service Executive Vote shall cease to exist and the salaries and expenses and certain other services administered by the Health Service Executive, including miscellaneous grants, shall form part of the Vote of the Office of the Minister for Health.

Section 3 of the Appropriation Act 1999, as amended by section 4 of the Appropriation Act 2005, provides that funds in relation to certain excise duties on tobacco products be transferred by the Revenue Commissioners as appropriations-in-aid to the Health Service Executive. The amount involved is approximately €167 million. Incorporating the HSE Vote into the Vote of the Office of the Minister for Health requires that these receipts related to excise duties on tobacco products, be appropriated to the Vote of the Minister for Health with effect from 1 January 2015. This change requires a revision to section 3 of the Appropriation Act 1999 as set out in section 4 of the Appropriation Bill 2014.

The signed Act is required by the Comptroller and Auditor General for clearance of the end-year issues from the Exchequer.

Under Article 25.2.1° of the Constitution the President may not sign a Bill earlier than the fifth day after the date on which the Bill is presented to him. However, there is provision in Article 25.2.2° whereby, at the request of the Government with the prior concurrence of Seanad Éireann, the President may sign a Bill on an earlier date than the fifth day mentioned.

In view of the urgency of this Bill, the provision in Article 25.2.2° is sought, and a motion to this effect is placed before the Seanad. Such an earlier signature motion has also been sought in relation to the Appropriation Bill in previous years. Crucially, the passage of the Appropriation Bill and its signing into law will allow the payments required to deliver our public services to

18 December 2014

continue in 2015, allow for our public servants and many social welfare recipients to be paid on time in January 2015 and in the period before the Dáil approves the 2015 Estimates.

Senator Thomas Byrne: I thank the Minister for setting out his position. We all realise the effects of the Appropriation Bill. It almost has no effect because it is recognising the reality of what has happened already this year.

It has a very important role, because it is the only opportunity that Seanad Éireann has to demonstrate whether it has confidence in the Government. There are precedents where senates around the world have opposed an appropriation Bill.

I will oppose the Appropriation Bill 2014, not on the basis that we are trying to stop wages being paid, or - - - - -

Senator Tom Sheahan: No pensions to be paid.

An Cathaoirleach: Senator Byrne without interruption.

Senator Thomas Byrne: It is a matter of showing confidence in the Government. We have no confidence in the Government, as it is making a complete hames of things. It is quite extraordinary to see how we are rushing in all sorts of legislation before Christmas. We will discuss the third or fourth water Bill. The first water Bill came in before Christmas last year, but was full of mistakes. Now we have another water Bill, because of political mistakes.

Senator Tom Sheahan: This is the Appropriation Bill we are discussing.

Senator Thomas Byrne: Yes. This Bill covers the whole range of Government expenditure. What else does a Government do only spend money? Effectively the Government functions by taking taxes in and spending money. What happened years ago, was that we had days of debate on all aspects of the Government's work.

Senator Michael Mullins: At least we do not have to worry about paying the bills this year.

Senator Thomas Byrne: The Government does not seem to be too worried about the bills for Irish Water because the income coming into Irish Water will be only about €25 million. The Government seems to be happy enough to get as far as the EUROSTAT test, which with a bit of luck, touch wood, will be all right. That seems to me the way the political leadership of this Government is operating at present.

Senator John Gilroy: During the time of the Fianna Fáil Government it was more accurately described as the "Misappropriation Bill".

An Cathaoirleach: Senator Byrne without interruption, please.

Senator Thomas Byrne: When some of the Senators opposite were members of the Fianna Fáil Party, we were creating thousands of jobs every week.

Senator John Gilroy: If that is the biggest insult that Senator Byrne can think of throwing at somebody, that he or she be a member of Fianna Fáil - - - - -

An Cathaoirleach: Senator Byrne, without interruption.

Senator Thomas Byrne: Some other people who shall remain nameless, who were mem-

bers of the Fianna Fáil Party were doing quite well at that time. Perhaps if they had stayed things would have been different.

Senator John Gilroy: I am highly offended.

Senator Thomas Byrne: The former members, and there are at least two that I know of, are on the other side.

We have too much rushed legislation. My colleague, Deputy Fleming, raised serious concerns in the Dáil. The Bill was not even presented to us whether it was passed or not by the Dáil. I do not follow the proceedings in the Dáil, and the bill was presented to us late.

We are not happy. The public is not happy with the way the Government is doing its job. The Labour Party broke so many of its promises, the Fine Gael Party seems determined to slice up Irish society into small sections and to pit one section of society against the other, instead of bringing everyone together, saying that we are all in this together and let us muck in. We on this side have no confidence in the Government. The Appropriation Bill is the only mechanism possible for the Seanad to express confidence in the Government. I have no confidence in the Government and on that basis this party will be voting against the Appropriation Bill 2014 for the first time ever in this House.

Minister of State at the Department of Finance (Deputy Simon Harris) (Deputy Simon Harris): I thank Senator Byrne for his engagement on the Bill. Obviously I disagree fundamentally with the way he has set out the position, but I do not intend to get caught up in a debate on other legislation that is before the House and will be coming back before the House later this afternoon. I think it is extremely important that we pass the Appropriation Bill 2014 to ensure that on 1 and 2 January jobseekers get paid and those in receipt of disability allowance and those depending on the non-contributory State pension also get paid. Nurses, gardaí and teachers must also be paid. Suppliers and SMEs right around the country are dependent on being paid by the Government.

Members of this House and the other House have the luxury of being paid from the Central Fund, but those whom I have mentioned do not. It is essential that we pass the Appropriation Bill, as the Senator quite rightly said, it has often been passed without debate. I am pleased to have had an opportunity to debate it in the Dáil and Seanad.

I recommend its passage together with the earlier signature motion to Seanad Éireann.

Question put:

The Seanad divided: Tá, 33; Níl, 10.	
Tá	Níl
Bacik, Ivana.	Byrne, Thomas.
Bradford, Paul.	Daly, Mark.
Brennan, Terry.	Leyden, Terry.
Burke, Colm.	Mooney, Paschal.
Coghlan, Eamonn.	Norris, David.
Coghlan, Paul.	O'Brien, Darragh.
Comiskey, Michael.	O'Donovan, Denis.

18 December 2014

Conway, Martin.	O'Sullivan, Ned.
Craughwell, Gerard P.	White, Mary M.
Cullinane, David.	Wilson, Diarmuid.
Cummins, Maurice.	
D'Arcy, Jim.	
Gilroy, John.	
Hayden, Aideen.	
Healy Eames, Fidelma.	
Heffernan, James.	
Henry, Imelda.	
Higgins, Lorraine.	
Keane, Cáit.	
Kelly, John.	
Landy, Denis.	
Moloney, Marie.	
Moran, Mary.	
Mulcahy, Tony.	
Mullins, Michael.	
Naughton, Hildegarde.	
Noone, Catherine.	
O'Neill, Pat.	
Quinn, Feargal.	
Reilly, Kathryn.	
Sheahan, Tom.	
Whelan, John.	
Zappone, Katherine.	

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

Question declared.

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

Senator Paul Coghlan: Now.

An Cathaoirleach: Is that agreed? Agreed.

Sections 1 to 5, inclusive, agreed to.

Schedules 1 and 2, agreed to.

Title agreed to.

Bill reported without recommendation and received for final consideration.

Question, "That the Bill be returned to the Dáil ", put and declared carried.

Appropriation Bill 2014: Motion for Earlier Signature

Senator Maurice Cummins: I move:

That pursuant to subsection 2° of section 2 of Article 25 of the Constitution, Seanad Éireann concurs with the Government in a request to the President to sign the Appropriation Bill 2014 on a date which is earlier than the fifth day after the date on which the Bill shall have been presented to him.

Question put and agreed to.

Sitting suspended at 2.40 p.m. and resumed at 3 p.m.

3 o'clock

Health Insurance (Amendment) Bill 2014: Committee Stage (Resumed) and Remaining Stages

Acting Chairman (Senator Paul Coghlan): We will resume the Committee Stage debate on the Health Insurance (Amendment) Bill 2014. Amendments Nos. 6 and 7 are related and may be discussed together.

Senator Sean D. Barrett: I move amendment No. 6:

In page 6, between lines 18 and 19, to insert the following:

“(4) In prescribing the maximum payments in *subsection (1)* the Minister shall have regard to average length of stay in hospitals, utilisation management, medically unnecessary admissions, and other excessive costs unrelated to ageing as noted in the Milliman Report (2010).”.

I welcome the Minister back to the House and thank him for being here.

There are a number of important things happening in the health insurance sector. We have seen massive price rises, estimated by the Oireachtas Library and Research Service to be in the region of 58% since 2008 and more than 300,000 people have given up their private health insurance. The Minister's predecessor tried strenuously to tackle costs. The figure given by the

current Minister is -2% in that regard. That is on top of an incredible performance in a period when there were no real increases in incomes because of the economic crisis. We are making progress but I wish we could have done so earlier. We have moved our approach to the health insurance market from one where the State's health insurance company, VHI, was protected at all times from competition. Given that the policing of efficiencies in the health service is difficult for the Department, as the main employer, why not use competing health insurance companies as the mechanism through which this is done? That is the emphasis that has been missing to date.

I welcome the Minister's announcement that the regulation sector for financial purposes will be moving to the Central Bank in February. That should have been done years ago. Indeed, a normal feature in December has been the postponement of that decision, which confers a substantial advantage on VHI over others in the market. The main concern in the Milliman report, referred to in my amendment, is that VHI devotes a vast amount of its energy, at managerial level, to proving that it has more older customers than the other insurers. We had an interesting discussion on that point recently and debated whether that fact warrants the kinds of price increases we have seen in recent years. The Milliman report argues that if a fraction of the energy devoted by VHI to proving its customers are older and petitioning the Department of Health and the Health Insurance Authority to rig the market was devoted to examining issues like "average length of stay in hospitals, utilisation management, medically unnecessary admissions, and other excessive costs unrelated to ageing" we would see real progress on costs.

I want to see a market in which insurers can charge customers less, not because they have cheated by refusing to insure older people but because they have secured better deals from hospitals, reduced the average length of stay, agreed lower prices for procedures and negotiated better deals with the drugs companies. In that context, insurers should be able to confirm to the Minister that people, both young and old, can be treated at a lower cost and that any savings made will be passed on to consumers. That would be a very welcome development. None of that happened in the period during which health insurance costs rose by 58%.

The average length of stay in hospital, according to the Milliman report, is ten days but best international practice is 3.7 days. Since 2010, when the report was published, some of the efforts of the former Minister for Health, Deputy Reilly, to focus on cost control have had an impact, albeit only to the tune of 2%. The Milliman report suggested that there was huge scope for improvement in utilisation management and also pointed to a high volume of medically unnecessary admissions, with young people in the full of their health admitted overnight for tests and so forth. Such overnight stays are costly to the insurers. The report argues that issues such as poor administration, poor management and a lack of attention to issues such as the average length of stay are more important than the ageing factor. Such issues are independent of age and improvements in this regard could make a big difference. The former Minister for Health appointed Mr. Pat McLoughlin to try to administer change. The potential savings identified in the Milliman report were far greater than the 2% we have seen thus far.

The version of the Milliman report supplied to Members of this House was redacted in over 55 places. However, reading between the lines and between the redactions, one can see that the system is inefficient. The get-out clause for VHI was that it was insuring all of the older people and therefore must continue to receive a State subsidy.

The Minister made reference earlier to his previous role as Minister for Transport, Tourism and Sport when he appointed the boards of the NTA and of CIE. In the case of health, the

Minister appoints the boards of the Health Insurance Authority and of the VHI. In both cases, I think the relationships are too close. While there is a social role for our transport system, the cheque goes overwhelmingly to one company which happens to be owned by the State. That said, I know that the former Minister intervened on a number of occasions where there were lower cost providers in areas like Portlaoise and let them tender for contracts.

Do we have any evidence that the new entrants to the private health insurance market refused to insure older people? I do not think there is any such evidence. In fact, none was produced in any of the many court cases related to this issue. A subsidy is provided, as illustrated in table No. 2, for older people without any assurance that the Department of Health is getting the best value for that money. There must be some mechanism to extract the productivity gains that were so strongly - I cannot emphasise the word "strongly" enough - pointed to in the Milliman report as being necessary to achieve. As I said, we know the new entrants did not refuse to insure older people. It would have been illegal to do so in any case because we have open enrolment, community rating and lifetime cover. No witnesses were produced in the court cases to give evidence of such practice.

On the other hand, we do have evidence that there are people who will not change provider because they do not mind higher prices, just as some people will opt to use a more costly airline. In addition, some people consider it too much hassle to change provider or feel there are not significant savings to be made by so doing. There is literature setting out the reasons people do not change their provider as they get older. As such, it is difficult to say that being older should be the basis for a subsidy. There are lower-cost options and a stimulatory effect from cutting costs. For example, if person A goes to a lower-cost company, VHI will respond just as Aer Lingus had to respond when it was faced with competition. To give out a subsidy without having a strong productivity basis for so doing, as advised in the Milliman report, seems unlikely to give an efficient result. I would like to see insurance companies competing on the basis of getting better deals from hospitals. Perhaps when hospitals achieve their independence, they will begin to compete in this way and the benefits of that will be passed on to customers. However, simply deciding that because company A has lots of older customers, those older people should be subsidised and there is no need to pursue much in the way of analysis after that is not the way to get an efficient result.

The premia that are attached to older people go up to €3,275, as set out in the table on pages 6 to 9, inclusive, of the Bill. I am proposing in amendment No. 7 that these premia shall be reviewed annually by the head of financial regulation of the Central Bank. The Minister has indicated that will be done in February. I am anxious to ensure it is done before the new rates are charged on 1 May, because it has been postponed so many times. Why, for instance, should the last category of persons in the table, at line 30 on page 9, get a subsidy of €2,475? Is there a danger in putting these figures into law and having them there forever? Will any provider reduce costs if there is a guaranteed, upfront subsidy? Surely these amounts should be subject to some review? Are the proposals in line with the recommendations in the Milliman report as to what these courses of care should cost or are we looking at an old-fashioned subsidy that is not subject to appraisal? Is what is proposed here actuarially sound and does it reflect efficient costs of treatment?

At the moment, the major insurer of older people - this is one of the complaints about it - submits its costings to the Health Insurance Authority, but one has to wonder whether it is really the old Ryanair system of charging £208 to get to London because the Department has been persuaded and there is regulatory capture going on. May we, as servants of the taxpayer inter-

est, shop around to see whether we can achieve better value? Health insurance is essentially a financial service. As such, can we ask the Central Bank to take a broader view on what these alternative companies could and should charge? We must have some public debate on these issues rather than putting specific sums onto the Statute Book forever.

I have tabled amendments Nos. 6 and 7 in the context of a health insurance industry in which we have seen an increase in costs out of all proportion to any other increases people have had to bear in recent years. We have a report which shows the potential for substantial savings in the sector. In terms of the incentive structure, the question arises as to whether older people are seen as a guaranteed source of income by hospitals, as referred to in the Milliman report. We might look at VHI as an insurer against risk, but to medical sector providers it is a guaranteed source of income. Is that why the average length of stay was found by Milliman to be so long in comparison with best international practice? Are these incentives the wrong ones in a system where we are trying to reduce health service costs? Are they actuarially sound as well as based on what hospital costs should be? The Oireachtas should discuss why this sector had such a massive cost increase and assist the Minister in any way we can in making sure that issue is addressed. If there are more large cost increases, we will lose another 300,000 people out of the sector. I support the Minister in his attempts to address these costs. Assuming it could never happen that an insurance company would be able to treat both older people and younger people at a lower cost and pass on savings to both groups, maybe that is the wrong assumption on which to proceed. Has the heavy degree of protection of VHI by the State caused it to become, until very recently, less than cost conscious? It is in this context that I tabled amendments Nos. 6 and 7.

I will conclude by referring briefly to my amendment No. 8, which seeks to put it into law that we would have a level playing field among insurance providers. That is the approach I am putting forward because it would be valuable to society to tackle the costs this sector has imposed upon us in recent years and push forward the implementation of the Milliman report. I hope these proposals and our consideration of them will be helpful to the Minister as he attempts to tackle the problem of such a rapid rise in voluntary health insurance costs and the loss of so many members. We must ask ourselves whether we acted enthusiastically enough to implement a report which showed us how we could get a lot of those costs down by more than 2%. As always when the Minister, Deputy Varadkar, comes to the House, we have interesting discussions. I do not intend to press these amendments, but it is important that we discuss the issues they raise, which also were raised in the Milliman report.

Minister for Health (Deputy Leo Varadkar): Following the Milliman report in 2010, my predecessor as Minister, Deputy James Reilly, spearheaded a focus on managing claims costs across the market. In addition, he appointed Mr Pat McLoughlin as independent chair of the consultative forum on health insurance, which produced two reports on measures to reduce costs in the private health insurance market. This focus resulted in a 2% reduction in claims costs in 2013. This welcome and significant reduction has facilitated a reduction in stamp duty for 2015 for non-advanced products and the maintenance of stamp duty for advanced products at 2014 levels. We will need to be vigilant to keep costs under control and make sure this achievement was not a one-off blip.

Under Section 7E of the Health Insurance Acts, in October each year the Health Insurance Authority submits a report to the Minister for Health setting out its evaluation and analysis of information returns supplied by insurers for the 12-month period from 1 July to 30 June. The authority recommends to the Minister the risk equalisation credits and corresponding stamp

duty levies required to fund them for the following year, taking into account the changing demographic profile of those insured and market developments, including price and product developments. The risk equalisation credit rates are based on average claims costs across the market rather than on insurance company costs *per se*. This encourages efficiencies as it compensates insurers for only a proportion of the higher costs of insuring older people and less healthy people. In addition to risk equalisation credits, the Hospital Bed Utilisation Credit, HBUC, provides a specified amount per night in respect of each hospital stay involving an overnight stay in a hospital bed by an insured person.

The Senator will be interested to know that the Department and the Health Insurance Authority, HIA, have commenced work on the development of a more refined health status measure, using Diagnostic Related Groups, DRGs, to enhance the risk equalisation scheme and to improve support for less healthy people at all ages. The HIA conducted an analysis of various international regimes and submitted a report to me on incorporating DRGs into the risk equalisation scheme. That report is now under review at the Department and will inform policy developments in the risk equalisation scheme from 2016 onwards. We are trying to move away from a very crude system whereby we just assume that older people cost more and, therefore, credits and stamp duties are attached to that to one where we will be more defined and put people into different DRGs, based on illnesses and conditions. This is a more refined way of ensuring community rating than the very crude system in operation at present which is based on the assumption that older people cost more.

The HIA is an independent regulator with extensive expertise in all areas of health insurance. I believe it is best placed to evaluate and analyse market developments and determine the appropriate level of credits required to support older people and less healthy people and the stamp duties and levies required to fund them.

I note that Senator Barrett made reference to amendment No.8. In that context I would reiterate what I said earlier, namely, that the VHI will have to be authorised by the Central Bank. It should be treated the same as all other insurers in the market and be required to have the same reserves, capitalisation and so forth, as its competitors. We hope that it will be authorised by the Central Bank in the early part of 2015, that is, within the next few weeks. However, that is ultimately a decision for the Central Bank. It is not appropriate or even possible for my Department to regulate that it be so. The VHI has to put its finances in order and make sure that it has proper re-insurance and reserves. Then it goes to the Central Bank for authorisation and the Central Bank decides if it meets the criteria. It is not for the Oireachtas or the Department to decide that matter. That is why I would not favour putting that into legislation. It is already the law that the Central Bank decides whether an insurer is authorised or not. That is not a decision for the Oireachtas or the Department of Health.

On VHI costs we must acknowledge the very good work by the company in recent years. It is now profitable again, despite the fact that it has fewer customers. It has done a lot of work in the areas of clinical audits and special investigations. It now goes into private hospitals, examines the claims and conducts clinical audits. That has been very successful and has helped to bring down claims costs. This shows that competition is working and I would like to see more of it. I would like to see more clinical audits happening in public hospitals, quite frankly, with the HSE going into hospitals and making sure that unnecessary tests are not being ordered, unnecessary investigations are not being conducted and patients are not being sent for unnecessary consultations. I know that happens; it certainly happened when I worked in the health service and it probably still does. It is very hard to stand over some people on waiting lists

not being treated while others are in hospital being over-treated. That is certainly a feature of private medicine but it is also a feature of the public health service too.

Senator Barrett pointed out that I appoint the members of the boards of VHI and the HIA and I do see the conflict in that. I know that in other countries, State-owned enterprises are not under the remit of the same Department that sets policy or regulation. Perhaps that is an issue which should feature in manifestos in a year or so. I would point out, however, that the process has now changed for the appointment of members to the board of VHI. As it is a financial institution just like the State-owned banks, all appointments have to be approved by the Central Bank. I wish the Central Bank had done that with the banks ten or 15 years ago. It does it now for both banks and insurance companies and the Central Bank will call in people for interview before they are appointed to State boards. I have much less discretion over appointing members to the board of the VHI than any previous Minister for Health. Now the Central Bank must be satisfied that each individual is competent and that there is a range of competencies across the board. It is a fairly independent process now, much more so than in the past.

If one talks to consultants who work in private medicine or to staff in private hospitals, one will hear them complain bitterly about health insurers in a way that they never did in the past. To me, that is evidence that the insurers are trying to drive down costs in a way that they did not do in the past. We allow private insurers to negotiate with private hospitals on price but not with the public hospitals. Essentially, a flat rate is set and that is what they have to pay. The insurers are asking for the power to negotiate on price with the public hospitals and that is something I intend to examine. They cannot negotiate on price at the moment even if they wanted to and perhaps that is something which should change.

We intend to initiate a consultation on how to encourage health insurers to cover more treatments at primary care level. Many treatments are currently carried out in hospitals in a way that is quite expensive. I know that Senator Burke has previously raised the issue of haemochromatosis and how venesection for the condition could be done more cheaply at primary care level if VHI and the other insurers would reimburse it. Similar issues arise with minor surgery and chronic disease management. However, it is a tricky thing to do because the insurers will have to be willing to play ball on that, as will the GPs, in terms of clinical governance, contracts, fees and so forth. That said, I am keen to make real progress in this area in 2015.

Senator Sean D. Barrett: I thank the Minister and welcome his description of all of these interesting and exciting events, in terms of setting the system up on a different basis from 2016 onwards. It will not be based on the premise that older people cost more. The requirement for Central Bank authorisation, as described by the Minister, is a first. The Minister also made reference to clinical audits and asked why some people are being kept in hospital because they have good insurance while there are waiting lists full of people. Senator Quinn made reference to the Chinese model of paying doctors and keeping people healthy. Perhaps there should be some incentive in place to make sure that people do not stay in hospital for the 10.6 days mentioned in the Milliman Report. I also welcome the news that insurers are driving down costs, even if it annoys people like Senator Crowne when they do so. Hospitals in the private sector are competing on price. Can we not substitute out-patient or GP visits for hospitalisation? At present, only hospitalisation is reimbursed by all of the insurance companies. We should encourage a change in mentality to reduce the burdens on the hospital system. These are all most interesting developments and I thank the Minister for telling us about them. In that context, I wish to withdraw amendment No. 6 and do not wish to move amendments Nos.7 or 8. I thank the Minister for informing us about these exciting developments which have been needed for a

long time. As has been said previously, the 58% price increase over a four or five year period could not be sustained.

Amendment, by leave withdrawn.

Section 6 agreed to.

Amendment No. 7 not moved.

Section 7 agreed to.

Sections 8 and 9 agreed to.

Sections 8 and 9 agreed to.

Amendment No. 8 not moved.

Title agreed to.

Bill reported without amendment, received for a final consideration and passed.

Sitting suspended at 3.30 p.m. and resumed at 3.45 p.m.

Water Services Bill 2014: Second Stage (Resumed)

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

Acting Chairman (Senator Paul Coghlan): Senator Norris is in possession with one minute remaining to him.

Senator David Norris: I thank the Acting Chairman. Can I advise the House that as Senator Craughwell has decided to take his own time, I will take back the amount I was to have shared with him?

Acting Chairman (Senator Paul Coghlan): My apologies. As the Senator is no longer sharing time, six minutes now remain to him, or rather, five and three quarters.

Senator David Norris: I will not really need it. While I am not quite sure where I left off, I may have been talking about the referendum and the question of privatisation. People have squashed that and have suggested there is no possibility of it. I believe the Minister or somebody else asked who has mentioned or called for privatisation. Although nobody has quite called for privatisation, the Minister's colleague, the former Minister of State, Deputy O'Dowd, has stated this was very much on the menu. Somebody who was directly involved in the negotiations and in the utility's establishment ought to have a pretty good idea of what was on the mat and as the former Minister of State, Deputy O'Dowd, has been saying this, that is the evidence I would put before the House in this regard.

I also have received briefings from the Green Party and I am glad to see it making some sort of a comeback. The Green Party makes the point with regard to the Irish Water utility - it wishes to keep it as a utility - that it is in the interests of the common good that this resource

is permanently owned by the people and used to their benefit. The final point made by the Green Party is a very good one with which I am sure the Minister will sympathise, having spoken about his time here in Seanad Éireann, namely, that the role of the Upper House is to rise above the day-to-day political theatre and that is what I hope it will do. I have received several thousand e-mails on this issue and it was simply impossible to deal with that volume but I have singled out just one. It was from a reasonable woman who is a low-paid worker earning less than €28,000 and this is a bill she cannot afford, as it is just too much. She is a single mum, her son is about to go to university and she believes she may not be able to send him to college because of this. Moreover, if he goes to college, he then will be charged the water rate separately. Again, this appears to be very unfair. She states that she is already paying property tax, which is taken at source, PAYE, PRSI, USC and a multitude of other taxes and VAT every day. She is of the view that it is unfair and unjust to impose water charges on people. Finally, she indicates that she has zero confidence that privatisation has been ruled out.

I wish to make a general point. A previous Government, following a great deal of difficult negotiation, obtained a derogation from Europe in respect of the imposition of water tax. This is now being thrown away. It is incomprehensible that we would go to the trouble of obtaining a derogation from European protocols only to then just leave them to one side. What has happened to this derogation? Will the Minister indicate why the Government did not submit an application for EU funding in respect of its plan for water charges? On the radio in recent days it was announced that some incomprehensible amount of money - it might have been €67 billion or it could have been €360 billion - is available for infrastructural plans throughout the EU. Why did we not submit an application to obtain funding for the provision of water infrastructure? Surely such an application would have been regarded sympathetically in light of our current situation.

The Minister made a very good point when he stated that Ireland is distinct from most other countries because it has abundant supplies of freshwater. He also highlighted the fact that this natural resource - which we take for granted - is not so plentiful in other countries and that these are placed at a disadvantage when it comes to attracting business, industry, pharma and chemical companies, agrifood interests, etc. I absolutely agree with the Minister that something must be done with regard to water supplies. However, people being obliged to pay for it twice is not the way to go. I do not believe for one second that the money collected will be directly invested in the infrastructure system. I am sure the Minister will be able to confirm that the money in question is not ring-fenced. There is nothing which states that it must be given directly to Irish Water. I am of the view that, like motor tax, etc., it will just disappear into general Exchequer funds.

When, on a previous occasion in this House, a Minister referred to raw sewage, I speculated as to whether she would prefer it cooked. The Minister, Deputy Kelly, referred to the contents of the Bill and stated “The Government package announced last month also referred to a suite of measures that would apply if households did not pay.” The Government is being very coy about this matter. That suite of measures is not outlined in the Bill - probably in the interests of not frightening off the ditherers who are trying to find any excuse to justify their pusillanimous support for the Government - and I would like to be provided with some information in respect of it. These measures constitute the punishment for people who do not cough up. What a euphemistic turn of phrase the Minister employs when he refers to “a suite of measures”. It almost sounds as if we should be queuing up to be entertained by this suite of measures.

Acting Chairman (Senator Paul Coghlan): Unfortunately, the time for eating dessert is

exhausted.

Senator David Norris: My pudding was wonderful.

Acting Chairman (Senator Paul Coghlan): No doubt the Senator enjoyed it. I thank him very much.

Senator Maurice Cummins: I welcome the Minister. I hope the debate on the Bill will be constructive. I do not propose to speak too much about the Bill itself. The measures it contains were introduced in response to very serious concerns expressed by many Irish people who participated in demonstrations, contacted us - as public representatives - and took to the Internet and national airwaves to voice those concerns in respect of the previously proposed structure for charges. The Government has listened to what the people said. I am at a loss to understand those Members of the Oireachtas who are completely opposed to the Bill when the clear intention behind it is to rectify the matters about which they previously complained. The Bill brings clarity, certainty and predictability to the pricing regime that will apply to domestic water services. The starting date for water charges has been put back from 1 January 2015. The first Bills will now issue in April. The existing legislation permitting the exchange of PPS numbers with the Department of Social Protection will be repealed. Households with either a water supply only or a wastewater only service will pay 50% of the rate. Those who own dwellings which are not permanently occupied will pay a minimum of €125 per year.

This Government will deliver safe and reliable water supplies for families and businesses alike over the coming decades. We were elected with a large mandate for reform by a people who were tired of the way previous Governments ran both the economy and our infrastructure into the ground.

Senator Darragh O'Brien: When did the Leader write that speech?

Senator Maurice Cummins: At present, 20,000 people cannot drink the water from their own taps. For some, this has been the case for many years. We have an antiquated water network which is rotting in the ground and close to 50% of our national treated water supply is being lost. Some 16% of our water supplies are at risk and this could affect over 1 million people. One third of secondary wastewater treatment plants have inadequate effluent standards. In Dublin, more than 800 km of pipe is over 100 years old. Most major EU cities have a spare capacity of 15% to 20%, whereas Dublin has a surplus capacity of between 1% and 4%. There is virtually no spare supply capacity in Dublin, which threatens job creation prospects in the capital. We can no longer ignore the fact that raw sewage continues to flow into streams, rivers and harbours near 42 towns. We cannot stand over a situation where water supplies for 945,000 people require urgent remedial action.

Irish Water did not create these problems but it will fix them. In that context, it will start with its €1.8 billion capital investment plan which will be funded separately from general Government expenditure. The water network Ireland needs cannot be built from general taxation. It is not fair that the same working taxpayers should be asked to pay for everything. Almost every other developed country in the world has water charges, which makes it possible for them to invest in clean and safe water supplies for their citizens. The establishment of Irish Water as a single utility company to replace the current 34 separate disparate water authorities will result in better water services for everyone. When completed, the company's metering programme, which is extremely ambitious and currently ahead of target, will be a vital national asset in the

18 December 2014

context of facilitating water conservation, with significant benefits to customers of Irish Water and to the country's natural environment.

Fianna Fáil does not have a coherent policy on water charges. Fianna Fáil left us with the rotting water network to which I refer-----

Senator David Cullinane: Hear, hear.

Senator Darragh O'Brien: This is a new Government.

Senator Maurice Cummins: -----and its original deal with the troika envisaged the imposition of a €400 annual charge per household from last year, with no allowances.

Senator Darragh O'Brien: The Leader just cannot resist. Fine Gael has been in government for almost four years. He should just get over it.

(Interruptions).

Senator Maurice Cummins: Fianna Fáil has flip-flopped on the principle of water charges ever since.

Senator Darragh O'Brien: Fine Gael is obviously feeling the pressure in Waterford. Junior Ministers are going out the window.

Senator Maurice Cummins: Now the party wants the hard-pressed taxpayer to fund all water services and capital investment.

Senator Darragh O'Brien: The Minister of State, Deputy Coffey, is on the way out. He will soon be gone.

Senator Maurice Cummins: It is a massive demand to transfer back onto those who already pay for everything. That is the consequence of what they are proposing - less investment, higher taxes and continued waste.

Senator Darragh O'Brien: I think the Leader read this speech to the House three years ago.

Senator Mark Daly: It is the same one.

Senator Maurice Cummins: There is no doubt in anyone's mind that radically reforming our water services for the benefit of Irish society is a very challenging task.

Senator Mark Daly: There is an echo in here. It has been reverberating around the Chamber for three years.

Senator Maurice Cummins: With the investment and national co-ordinated approach to water services introduced by the creation of a certain single utility, Ireland will be well prepared in the event of a future water emergency.

Sinn Féin's water policy is similarly ambiguous-----

Senator David Cullinane: Ah here.

Senator David Norris: It runs hot and cold.

Senator Maurice Cummins: -----populist and frankly nonsensical.

Senator Darragh O'Brien: Does Senator Cullinane agree with the Leader now?

Senator Maurice Cummins: That party has spent recent weeks engaging in cheap publicity stunts in the Dáil in order to distract from its own lack of answers to many of the questions that have been posed.

4 o'clock

Sinn Féin has failed utterly to explain how it would pay the price of €800 million plus for abandoning progressive water reform. Its policy of keeping Irish Water but abandoning water charges would add more than €800 million to the deficit next year. We still do not know where it can bridge that gap. The reality is that it is imposing huge tax increases on workers to pay for everybody's water. Everyone earning over €32,800 is deemed to be wealthy by Fianna Fáil and Sinn Féin based on their voting record when considering the Finance Bill.

Senator Darragh O'Brien: The Senator's party brought in the exemption on the property tax for anyone with over an acre of land.

(Interruptions).

Senator Maurice Cummins: They are the people who have most to fear from the Fianna Fáil–Sinn Féin axis. I rest my case at that.

Senator David Norris: Well done.

Acting Chairman (Senator Paul Coghlan): I call Senator Daly. He has six minutes.

Senator David Norris: Far too much.

Senator Darragh O'Brien: Now for a bit of realism.

Senator Mark Daly: Let me quote:

I'm against water charging. Water is a necessity, I've always believed essential services like water should be delivered as a public service. A flat household charge would be unfair and does not discriminate between houses with five bathrooms or none, and metering is unworkable.

Deputy Eamon Gilmore stated this in the *Irish Examiner* on 28 June 2010.

Senator Darragh O'Brien: Do the Senators remember him?

Senator Mark Daly: Our friend Deputy Rabbitte, the former Minister for Communications, Energy and Natural Resources, said on RTE on Sunday, 2 June 2012: "Isn't that what you ... do during an election?"

Deputy Alan Kelly: That is completely ridiculous. The Senator should re-watch the programme.

(Interruptions).

Acting Chairman (Senator Paul Coghlan): Senator Daly, without interruption.

18 December 2014

Senator Mark Daly: Just in case the Minister did not hear me, he should note the former leader of the Labour Party said he was against Irish Water. He also said:

Water is a necessity, I've always believed essential services like water should be delivered as a public service. A flat household charge would be unfair and does not discriminate between houses with five bathrooms or none, and metering is unworkable.

He said that in 2010. Where was the road to Damascus-----

Senator Ivana Bacik: The Senator has undergone some change anyway.

Senator Mark Daly: -----that he went along and where he fell off his horse and eventually decided-----

Senator Ivana Bacik: The Senator should know all about the road to Damascus.

Senator Mark Daly: -----to listen to Deputy Pat Rabbitte? The real Labour Party policy is: "Isn't that what you ... do during an election?"

Deputy Alan Kelly: Rubbish.

Senator Mark Daly: I only give the facts.

Acting Chairman (Senator Paul Coghlan): Senator Daly should address the Chair and not be inviting commentary.

Senator Darragh O'Brien: The Acting Chairman should be affording the Senator some protection.

Senator Mark Daly: It is all right. I think I will be able to handle the barbs coming from the other side.

Acting Chairman (Senator Paul Coghlan): As the Senator knows, I am doing my best to protect him, but he is inviting comments from the other side.

Senator Mark Daly: I welcome engagement with the Minister at any time on this issue. I am only putting on the record of this House statements by the Labour Party in 2010 and the real facts behind what it said when Deputy Rabbitte, in a moment of clarity and truth, said: "Isn't that what you ... do during an election?" One promises but does not ever believe one is going to deliver.

Another Minister made what was possibly the most out-of-touch and outrageous comment by any Minister in the past year. The Minister for Health, Deputy Leo Varadkar, was wondering what people were worried about in that the cost is only €3. This Government is supposed to represent all the people but, according to the Minister for Finance, Deputy Noonan, it represents only those people who agree with it. He said, "We govern for reasonable people." Unless a person agrees with the Government, they are not reasonable and, therefore, it will not govern for them. The Minister for Health said it does not really bother him that people are protesting about €3 per week and that the Government has a much bigger problem. Of course, the Minister is correct because there are people who are fearful and there is homelessness and hunger. The Irish League of Credit Unions would tell us that 500,000 people have nothing at the end of the month. They do not have the €3 each week or €12 at the end of each month that is required to pay water bills. That is why I said the Government is out of touch. When the Ministers who

believe it is no problem to pay €3 per week say they do not govern for the people-----

Senator Michael Mullins: How would the Senator get them to pay €400?

Senator Mark Daly: It is not a question is how we would pay for water but of how the 500,000 people who do not have money at the end of the month would do so.

Senator John Kelly: How would they pay €8?

Senator Mark Daly: Why is it that the man in south Dublin who is on €500,000 per year is being charged the same as a person who has nothing at the end of the week or month?

Senator Darragh O'Brien: Hear, hear.

Senator Mark Daly: What the Government is doing in this Bill-----

Senator Maurice Cummins: What about the €8 Fianna Fáil was going to charge?

Senator Mark Daly: -----and what Senators must be mindful of when they vote on it is asking 500,000 people to choose between paying their water bill-----

Senator Michael Mullins: Three euro or €8?

Senator Mark Daly: -----and buying food to on their tables for their children. The facts are from the Irish League of Credit Unions, which says 500,000 citizens of this State, not customers, as Irish Water would call them, are being abandoned by the Minister for Finance.

Senator David Cullinane: Hear, hear.

Senator Mark Daly: The Minister says he does not govern for people who do not agree with him. The Minister for Health, Deputy Leo Varadkar, says that if there are people who have a problem paying €3 per week, he does not govern for them either. Senators have the power to bring the Government's madness on this to a halt and answer the fundamental question as to how 500,000 citizens in the State who do not have any money at the end of every month will find the money to pay their bill to Irish Water.

Senator John Kelly: I compliment the Minister for the Environment, Community and Local Government, Deputy Alan Kelly. It is well acknowledged that he is doing a good job and that he is a fair Minister. He has listened to the concerns of the people and has turned the situation around. We all acknowledge that the way in which Irish Water was set up was wrong and the Minister has dealt with that appropriately.

The main point of the Opposition and opponents of water charging is that the people already pay for water through their taxes. That, to a degree, is true.

Senator David Cullinane: Hear, hear.

Senator John Kelly: However, all we have ever paid for through our taxes is the maintenance of a broken system. Since the establishment of Irish Water, I have never seen as much activity in my county, Roscommon, where 20,000 people are on boil water notices. In Boyle and Ardcar, where 6,000 people are affected, the system has been fixed and the plant is now in operation, all in the space of a number of months. In Castlerea, a new treatment plant is expected to be completed this month. In Killegran, where more than 15,000 people are affected

by boil water notices, the works are expected to be completed in January 2015. Those in the north-east Roscommon water supply scheme are also subject to a boil water notice. This is expected to be rectified by August of next year. In Cam and Kiltewan, the works are expected to be completed in May 2015. The boil water notices affecting the Arigna scheme are expected to be lifted in May 2015. This is all happening as we speak in Roscommon. It never happened before. In my seven years on Roscommon County Council, I have never seen anything like what is happening now. This is purely because of the establishment of Irish Water, nothing else.

I was flabbergasted listening to Senator Walsh. He is against paying for water but made sure he told the Minister that once water charging is brought in, he or any future Minister should desist from abolishing them for political purposes. He does not want water charges but does not want them ever removed when introduced.

Deputy Alan Kelly: That is right.

Senator John Kelly: I am also somewhat flabbergasted by Senator Walsh's statement that there should be competition in the delivery of Irish Water. That is grand but we know what competition can bring. It can bring cartelism and price fixing, in which case people would have no control over the price of water. I am encouraged by some of the Minister's statements in regard to something that has never happened in my county. We always had to source our water supply from Roscommon and there was never an adequate water supply in the county. Now we can cross borders to source our supply and in my town of Ballaghaderreen where people have not been able to drink the water there for 20 years, the plan is to extract water from Lough Mask in County Mayo. That is a welcome development. Some 31% of the people of Roscommon have always paid for their water and that is a statistic that is probably accurate across rural Ireland. Nobody in my county would mind paying for water as long as they can drink the water coming of their taps. That is the issue for me and for the people that I represent.

Senator Fiach Mac Conghail: I welcome the Minister. It has been only 24 hours since we last went toe to toe yesterday. The classic line that comes to mind with the Water Services Bill is that if we were to start from anywhere, we would not be starting from here. My thoughts on the Bill is that it is complex, contradictory and a conundrum. I believe we should pay for water in order to conserve what is a limited natural resource. I disagree with Senator Daly on that. That is my philosophy on this. Also it would be to widen the tax base of our citizens, scrap the universal social charge and means test the wealthy, in particular those like me who earn more than €100,000. In assessing any charge or tax of citizens, the issue of fairness and equality must be a key factor. It is clear, as we saw as recently as last week with the ESRI report, that the gap of inequality is getting wider. Inequality is becoming more institutionalised than ever before. I believe strongly that a progressive tax system needs to have been in place and it is within that context that both an equitable property tax and water charge would or could work.

The Government has made an absolute hames of this. I lay the blame at the ineptitude of the former Minister, Phil Hogan. His portfolio above all had the potential to radically change the Irish political and social landscape. His portfolio alone could have delivered on political reform, electoral reform, issues around climate change, local government reform, better delivery of taxation through local government reform, planning, social, housing, property tax and water charges. The list of failed actions and financial calamities in his legacies are longer than Santa's present list.

The debacle of the setting up and the cost of Irish Water is a clear example of the waste of

money and the inept management of public administration. It is no wonder that public trust in our systems and in us is so low or practically non-existent. There are many reasons citizens marched on the streets and even some of the organisers admitted that, but they achieved the *volte-face* of public admissions of mistakes by Government, to which the Minister referred in his speech, of the exorbitant original charges for water use.

This is not a good Bill. Even the elemental requirement of conservation is back to front. We are meant to encourage conservation but bizarrely section 5 makes a provision for water conservation to citizens despite the fact that there is uncapped usage of water for a period up to 2018. This is not good law. It is ludicrous. Again, I am not against water charges. I have concerns over the ambiguity in Irish Water's terms and conditions over rain harvesting. If we harvest rain and if it is used to supplement water requirements, particularly with regard to wastewater, will there be consequences? I would like the Minister to give me an answer to that. Water conservation is an enormous challenge for us but it is one that we know that group water schemes have successfully managed to work. There is a working precedent and we know this. Senators must have honest in this House that group water schemes have shown the way forward with regard to conservation, particularly through water metering. I live in Dublin and I defy anybody to tell me otherwise. We need to have the facts and to have clarity in the House during this debate. Therefore, capping water charges in itself is not a good and efficient way to conserve water and this Bill is a political statement of apology, but do two wrongs make a right?

Another issue I have relates to section 11. If 95,000 have already registered with Irish Water, what will happen to the personal public service, PPS, numbers provided? This Bill does not cater for them retrospectively. How can the Minister assure the Seanad that all those PPS numbers will be destroyed? Can he reassure the House that there a transparent mechanism has been put in place to resolve this issue? I do not see that in the Bill. What might the role of the Data Commissioner be in this case?

I acknowledge that a major concern of mine, to which I alerted earlier this week, has been somewhat appeased in section 2 which provides for the holding of a the plebiscite on the ownership of Irish water. From reading section 2 and having listened to the Minister's speech, the Government must put before the people any proposals that may change public ownership of Irish water.

I am frustrated with the incompetencies of the Government which has botched and failed us in many of its promises but for some reason it cannot even manage the administration of policy in a rigorous efficient manner. The legacy of Phil Hogan is damaging to the people of Ireland, an effect which will be felt for years to come. It puts us, or me, in an invidious position with regard to whether we should accept this Bill because it caps necessary water charges yet there is no inducement to conserve water, and the rollout of Irish Water has caused anger, protest, and crucially a waste of money. The passing of this Bill will not resolve the inept mistakes of the Government but it could at least offer certainty and clarity.

Senator Michael Mullins: I welcome the Minister, Deputy Kelly, and compliment him on the good job he has been doing since he assumed office. I believe that in years to come we will look back on this week and on the establishment of Irish Water as possibly the most significant utility establishment since the establishment of the ESB-----

Senator Darragh O'Brien: Now, now Michael, do not lose the run of yourself.

18 December 2014

Senator Michael Mullins: I would like to remind my colleagues on the other side of the House-----

Senator Darragh O'Brien: We always had water but we did not always have electricity.

Senator Michael Mullins: -----that representatives of their party opposed the establishment of the ESB.

Senator Mark Daly: I know some of the Senator's colleagues do not think that water falls from the sky but it does.

Acting Chairman (Senator Diarmuid Wilson): Senator Daly, you have already spoken. Please desist.

Senator Michael Mullins: I acknowledge and very much regret that some very significant mistakes were made by Government and by Irish water in the initial stages of the utility company. I felt all along that it was an overly ambitiously project and that the timeline for having the project up and running was too tight, but I am now satisfied that the major concerns of citizens have been addressed. The main concerns were around pricing and possible privatisation. Certainly, the commitment in section 2 to hold a plebiscite on the ownership of Irish water if any future government proposes to change in any the ownership structure of Irish water is a copperfastened and tight commitment and I am certainly happy to support that.

Senator David Norris: The Senator should tell that to Deputy Fergus O'Dowd.

Senator Michael Mullins: The net price of €60 per annum for a one-person household and a net charge of €160 where there are two or more adults in the house is not an unreasonable charge for good clean safe water for families. This family charge of €3.30 per week compares very favourably with the €15 per week that families on boil notices in County Roscommon are paying for bottled water, as I discovered during my recent canvass of Roscommon during the by-election campaign. Thankfully as Senator Kelly informed the House, my neighbours in County Roscommon will soon have that burden lifted from them with the huge investment that is being made by Irish water in bringing the water infrastructure up to a proper standard. A good clean reliable supply of water is as critical for citizens and for business as is electricity. It is scandalous that the last three Fianna Fail Governments failed dismally to invest in this vital infrastructure. This was during a period of unprecedented growth and healthy public finances.

Senator Darragh O'Brien: The Fine Gael research officers were working overtime writing these speeches. This is good stuff-----

Acting Chairman: Senator Mullins without interruption.

Senator Michael Mullins: This is my own message.

Senator Darragh O'Brien: -----but it is not true.

Senator Michael Mullins: Instead of investing in our infrastructure, those Governments chose to squander the nation's finances with giveaways that were designed to win two elections. The Fianna Fáil irresponsibility is still continuing to this day. It wants people to forget that it signed up to the troika for water charges and that it was planning a flat rate charge of €400 per household. Sinn Féin needs to be asked to explain-----

Senator Darragh O'Brien: Here we go.

Senator David Cullinane: Is the North going to get a mention?

Senator Michael Mullins: -----how it tells people in Northern Ireland that services have to be paid for but here in the Republic everything can be for free. It also needs to explain why its Leader, Deputy Gerry Adams, did a U-turn. First, he said he would pay his water bill and then he changed his mind and party policy.

Senator David Cullinane: Good on him.

Senator Michael Mullins: He found himself being outflanked by the highly irresponsible Deputy Paul Murphy and his fellow travellers, whose political survival depends on unrest and keeping people in poverty-----

Senator David Cullinane: Did the Senator leave anybody out? What about the Reform Alliance?

Acting Chairman (Senator Diarmuid Wilson): Please, Senator Cullinane.

Senator Michael Mullins: -----and trying to prevent investment that would help provide employment opportunities in areas that have been badly neglected in the past. I come from a rural constituency where many communities have been paying for water, through their group water schemes, for many decades, and they cannot understand how people living in cities with water, sewerage and much better services have been exempt from any charge up to now. It is difficult to justify that.

Senator Gerard P. Craughwell: They pay a higher property tax.

Senator Michael Mullins: These group water schemes are the masters of water conservation. There are also areas in my constituency that do not yet have a proper water supply, such as the village of Kilreekil, where several businesses are trying to operate from private wells, and Liskelly and Kilnahown, near Aughrim. I hope their situation will be given priority by Irish Water, as well as the upgrading of the water services in my home town of Ballinasloe, on which I expect a major announcement in the near future.

Senator Darragh O'Brien: Is there any other town or village the Senator has not mentioned in east Galway? He should mention it now.

Senator Michael Mullins: The new utility is an investment in the future of our country and is in the national interest. It has to succeed and, in my view, it will succeed. Much progress has been made in recent weeks. I compliment the staff of Irish Water, who are responding more quickly on issues raised with it by public representatives of all persuasions. I am confident that we are putting in place a public utility that will deliver clean and safe water to all our citizens. It will address the massive level of leakage - up to 40% - in the system. It will plan for the growth of the capital city and the other major centres of population and, most important, it will provide certainty to business and potential investors. I have much pleasure in supporting the Bill.

Senator Sean D. Barrett: I welcome the Minister and wish him the best in trying to tidy up this mess. It is a mess that has brought Leinster House into disrepute. Nothing else brought 130,000 people on to the streets. We tried to table amendments with the Minister's predecessor and, as always, the Leader allowed full discussion, but it turned out that he was never formally

allocated responsibility for the area, as claimed by the then Minister of State at the Department of the Environment, Community and Local Government, Deputy Fergus O'Dowd, and he had no ability to accept amendments. I attended the banking inquiry this morning. I think water will do for this Government what banking did for the previous one. It has brought us all into disrepute, because we have ignored so many obvious faults and flaws, although the Minister has addressed some of them. Let us look at the newspaper headlines: "Irish Water allowances 'are flawed'"; "Water watchdog staff net almost €1m in bonuses"; "Coalition will not survive water debacle"; "Irish Water taps up extra staff"; "Irish Water will cost twice as much as in UK"; "Irish Water has been exempted from paying an annual rates bill of €59m"; "€420k car perk for water bosses".

This has been such a disaster that we should stop it now. Let us look at all the mistakes we have made. We put it on top of the local authority structure. The McLoughlin report found there was a 30% surplus of county managers, a 15% surplus of directors of services, a 10% surplus of corporate services staff, a 10% surplus of planning staff and a 15% surplus of city managers, and to this we added 900 staff, most of whom, according to the media, were not recruited by open competition. We have 4,000 people doing the work of 2,400. That is the burden that will be passed on for the future.

Irish Water is completely flawed in its concept. We have been told by Deputies and Senators that it is off-balance-sheet. Would you buy a used car from a guy who asks to keep it off-balance-sheet? I am not sure it is off-balance-sheet or whether the idea has any validity. Let us have public accounts that reflect the reality of what we are spending and stop seeking accountancy tricks which many people doubt will get past the EU.

Let us look also at some of the offers we rejected. The *Sunday Independent* of 24 April 2012 reported that Siemens Ireland boss Mr. Werner Kruckow offered meters to the Green Party. Apparently, the then Minister for the Environment, Community and Local Government, John Gormley, was willing to accept them, but his successor, Mr. Phil Hogan, did not pursue that offer. We have spent more than half a billion euro on meters. In the UK system, 60% of houses have no meters. Why is it that the money spent on meters was not spent on fixing the pipes?

In regard to the first set of untruths by the proposers - "We have to pay for water," and "We never paid for it" - we pay very large amounts of taxation for water. I will give the reasons why paying through general taxation is a good way to do it. We have now imposed a poll tax; the charge is the same for everybody, unlike income tax, whereby a family of four on €100,000 pays about 14 times more than one on €15,000. We have created a Mrs.-Thatcher-style poll tax-----

Senator David Norris: Hear, hear.

Senator Sean D. Barrett: -----instead of financing this through progressive taxation.

Senator David Cullinane: It is Labour's tax.

Senator Sean D. Barrett: The idea that we were wasting water was spun by the water industry, which implied that lots of little old ladies up and down the country had taps running and so on, and mentioned wastage figures of 52% to 55%. Its own members, the county engineers, were the biggest wasters of all. We know from the Minister's contribution today that the waste within houses was only 6%. Therefore, the figure of 55% was to try to make people feel guilty

in order that they would volunteer for this model. Engineers were paid substantial amounts of money and it was up to them to fix it. I think it was Ben Dunne who said that if one had a shop which had 55% of its stock stolen, one would interview the people around the shop rather than going to the street and blaming the customers. We have had enough of that blame game.

I object to being called a customer. I had a relationship with Kildare County Council. I am conscripted by Irish Water and I do not want to be conscripted. The issue of overmanning has not been addressed. This is a regressive tax which is undermining the political stability in this country. The way in which Irish Water conducts itself and treats its clients, the members of a democracy, is a disaster. One of the sad consequences is that many friends of mine on the Government benches will not here after the next election. I do not know why Fianna Fáil and the Labour Party made such sacrifices of themselves with the banking business and why this Government is so keen to sacrifice itself with the water business. Irish Water should be reformed. It is a case study in how not to create a quango. It is over-manned and inefficient. Once set up, as with all the bodies we tried to reform in these two Houses of Parliament, we will never be able to reform it. I say, let us stop now, restore the responsibility for water services to the local authorities, implement the productivity elements that are to be implemented under the McLoughlin report, reduce over-manning and bring it back to local authorities. There are no economies of scale in Irish Water. In regard to water wastage, there are some small counties such as Leitrim and Waterford, where there is very little water wastage, while there are some large counties with large amounts of water wastage. The idea that one water company in the country would achieve some economies of scale is actually not borne out by the numbers in the McLoughlin report. Irish Water is ill-conceived, and its headquarters should be shut down and its PR department closed. It should stop installing meters and we should start again.

Senator David Norris: Bravo.

Senator John Whelan: I have every respect and serious regard for the comments and contributions of Senator Barrett, who is an expert in this area, as he has raised genuine issues and concerns. However, I thought the purpose of today was to start again. When Governments do not listen to people and when Ministers ignore people they are accused of being arrogant and detached. The Minister for the Environment, Community and Local Government, Deputy Alan Kelly, has come into House with his hands up and said, “We made a bag of this first time around so we are starting over and trying to put it right.”

Senator Darragh O’Brien: He said Fine Gael had made a bag of it. He blamed Phil.

Senator John Whelan: Having made this admission, he was accused of capitulation and performing a U-turn. I wish we could be honest and fair with each other and stop playing politics, because this issue is too serious and important.

Senator David Norris: Hear, hear. Members of the Labour Party should start with themselves.

Senator John Whelan: Colleagues on the other side have raised serious issues. Senator Fergal Quinn mentioned PPS numbers, and that was a genuine issue, but it has been resolved.

Senator Fidelma Healy Eames: Only because of the unrest.

Senator John Whelan: The issue of public ownership was raised by Senators on all sides. Fianna Fáil tabled a motion on a referendum, which was supported by this side of the House.

Senator Darragh O'Brien: We welcome that.

Senator John Whelan: The Minister has copperfastened the matter and embedded it in legislation.

Senator David Norris: No, it has not.

Senator Darragh O'Brien: A plebiscite is different from a referendum.

Senator John Whelan: We accept that the original establishment of Irish Water was an unmitigated debacle and disaster. It was a carousel of cronyism and consultancy fees, but this has been stripped down and put right. The Minister's intervention will be a lasting one. We should not be here today trying to pass this legislation, as the establishment of Irish Water and legislation on metering should have happened 30 years ago. It was not politically popular to do so because instead of building reservoirs people wanted to build a Bertie bowl.

Senator Darragh O'Brien: And Croke Park.

Senator John Whelan: We had water charges previously but they were called rates. It is rich for people today to speak of the playing politics, because rates were abolished with one stroke of a pen to steal an election in 1977, the previous occasion on which Fianna Fáil bankrupted the country. As a result of that measure, county councils did not have a penny for water and sewerage systems, so lead pipes brought water to schools. Pipes are rusting and leaking, we have not built a reservoir in 50 years, and Dublin is on the verge of running out of water. We built 700,000 houses in ten years but we did not provide matching water and sewerage infrastructure. We are playing catch-up, and it is not true to say we are paying for water twice because, to be honest, we are not even paying for it once.

Senator Fidelma Healy Eames: Can the Deputy explain that? The taxpayer is paying €1 billion for water.

Acting Chairman (Senator Diarmuid Wilson): I have a long list of Senators who wish to speak, and everyone will be given the opportunity. Senators can ask their questions during their own speaking time. Some people have not spoken yet but have interrupted so often that they could be deemed to have had their opportunity.

Senator Fidelma Healy Eames: Senator Whelan should put facts on the record.

Senator John Whelan: I am putting facts on the record. The reality is that it would cost €2 billion per annum for 20 years just to maintain, restore and upgrade a system that is creaking and breaking at the seams. Do people want us to strip this money from housing, hospitals and schools? The funding must be found somewhere and, whether we like it or not, the only mechanism is to set up an entity similar to the ESB to function as a water utility company that can borrow money and invest capital. Of course, one cannot win votes by investing in new pipes, as it is not a grand scheme, but it must be done.

Guinness, the iconic flagship industry of Dublin, is part of Diageo, which employs thousands of people and uses 8 million litres of water a day in the city. Intel and Glanbia use even more water. The reality is that if we do not secure a safe and sustainable supply of water the system will remain in the Stone Age. We call Ireland a smart economy, but our existing water and sewerage system, with 490,000 septic tanks, is in the Stone Age. This is not acceptable and it cannot be allowed to continue. If we are to be honest with people, we must impose a fair

and affordable charge. People are tired of austerity and nobody in Ireland wants another bill through the letter box but, at €160 for a family, Ireland is offering the cheapest water in Europe by a country mile.

It is not politically beneficial for the Government to introduce this measure, as it is unpopular and will not win votes, but it is the right thing to do. Ultimately, this measure will be seen as the right thing to do.

Senator David Cullinane: I thought the Laurel and Hardy double act on the Water Services Bill, marks one and two, had ended when Laurel got his P45 and Hardy was sent to Brussels. However, the contributions from the Leader of the House, Senator Cummins, and Senator Mullins prove that the comedy act is alive and well. The statements by those Senators today were outrageous. Senator Cummins said the Government had listened to the serious concerns of public representatives and protesters, but this time last year we spent 17 hours debating the Water Services Bill mark one. I tabled dozens of amendments, Fianna Fáil tabled amendments and Senators Norris and Barrett tabled amendments, but not one of these was accepted by the Minister of the time and all such amendments were voted down by Senators on the other side of the House. The Minister says he has raised his hands and admitted that mistakes were made, but he voted for the Water Services Bill, mark one. It was guillotined in the Dáil and the current Minister stood over all of the mistakes that he would now have us believe were merely the errors of two former Ministers who happen to have moved on. The reality is that he and everyone on the Government benches messed up on Irish Water.

Senator Cummins said he struggles to understand why people are still opposed to the Bill before us, but I made the point last year that I would not buy a pig in a poke and, by God, I made the right decision. The Government and the Senators on the other side of the House now admit that this was correct, because they now say the whole thing was a disaster. The Minister returned in January with the Water Services Bill mark two, and again, I said I would not buy a pig in a poke. The Minister now raises his hands and says that was a disaster too. I do not buy the nonsense and concessions the Government is trying to sell to the people of this State like a second-hand goods salesman. Again, I will not buy a pig in a poke, because all of this is a charade.

The Leader spoke of clarity, certainty and predictability on charges, but none of this is evident. We are being asked to vote on this Bill, and the Minister tells us there will be a plebiscite on the ownership of Irish Water should a future Government want to privatise the entity. That promise is not worth the paper on which it is written because it amounts to 28 lines in a Bill, and an amending Bill is all that is required to remove the section. Senators voted for a constitutional amendment, but the Government will not allow this because it is afraid to give the people that power. The Government is including a promise in a Bill, but it is not worth the paper it is written on because it resembles previous promises on ceasing to fund banks, not increasing college fees and not lowering child benefit. This is just another Government promise and it is not worth the paper it is written on.

Senator Mullins said today would go down in history in the same way as the day of establishment of the ESB.

Senator Darragh O'Brien: That is a joke.

Senator David Cullinane: It is outrageous. I hope today goes down in history as the day

18 December 2014

the Seanad stood on its own two feet, acted independently and refused to be bullied by the Government.

Senator Michael Mullins: Senator Cullinane would know about bullying.

Senator David Cullinane: I hope the Independent Senators stand up to the bully boys and girls on the other side of the House. Irish Water is a monumental failure and I hope they do not vote for it, because the Government should not celebrate today as a good day for the State. This legislation is an absolute monstrosity. The Minister should abolish Irish Water and the water charges, but that will not be done because the Government will not listen to the people. However, this could still be a good week for the Seanad. The people voted to retain the Seanad because they wanted a second voice in the Oireachtas.

Senator John Gilroy: Sinn Féin campaigned to abolish the Seanad. The Senator should make up his mind what he wants.

Senator David Cullinane: I am talking about the people and the decision they made.

Senator John Gilroy: Sinn Féin has no credibility on this issue.

Acting Chairman (Senator Diarmuid Wilson): Senator Cullinane without interruption, please.

Senator David Cullinane: I advise colleagues on the other side of the House to settle down and listen for a change. They have come in here with their scripted speeches attacking Sinn Féin and Fianna Fáil because they cannot stand over their own policies.

As I said, this could be a good day for the Seanad. I appeal to all Independent Senators to act independently and stand by the people who are being asked to pay twice for an essential service. The Government tells us that water charges have been capped until 2018. However, if Fine Gael is returned to government after the next election, it can simply bring forward amending legislation to increase the charges. People know that. They will not be fooled and conned again by the Labour Party and Fine Gael. Those days are gone and Members opposite should get used to it. The days of the Labour Party are numbered because it has betrayed the people who voted for it. The Minister can shake his head all he likes, but that is only further evidence of the arrogance of this Government.

Deputy Alan Kelly: My party has been around longer than Sinn Féin and will be here after it is gone.

Senator David Cullinane: That arrogance is the reason the Labour Party is so deeply unpopular.

Deputy Alan Kelly: My conscience is clear.

Senator David Cullinane: If the Minister really was listening to the people, he would abolish water charges. I urge him to do the decent thing now instead of coming in here with half-baked measures. The majority of citizens want him to abolish water charges. He should do that instead of engaging in this charade of so-called conditions and concessions. They are not worth the paper they are written on and the people know it. They will not buy this charade from the Minister or any of his colleagues in Fine Gael.

Senator Cáit Keane: No mention from Senator Cullinane of where the money will come from if water charges are abolished.

Acting Chairman (Senator Diarmuid Wilson): I ask Senator Keane not to interrupt. There were no interruptions when she was making her contribution.

Senator Cáit Keane: There certainly were.

Acting Chairman (Senator Diarmuid Wilson): I call Senator Hildegarde Naughton.

Senator Hildegarde Naughton: I welcome the Minister to the House. I have spoken before about the lack of clarity and the incompetence surrounding the establishment of Irish Water. No observer could be anything but disappointed with how it was handled. I will not rehash all of those issues today; they are as obvious as they were avoidable. I am concerned, however, about the damage they have done to our national confidence and the body politic generally.

My intention is to address the cynicism of those now opposing the establishment of Irish Water. I refer in particular to the political opportunism of Fianna Fáil in opposing the establishment of a body of which it was initially in favour. I do so in the hope that Members of that party might leave politics aside for one moment and take the correct course. The Government rightly moved in recent weeks to address the concerns of people in regard to the establishment of Irish Water. Although the sums now involved are not to be sniffed at, they are reasonable and fixed. The issue of privatisation has been addressed, as has the requirement to provide PPS numbers and other issues that caused people concern.

I can perfectly understand that people might be angry at the Government about this issue. However, to use a rather hackneyed phrase, anger is not a policy and the bottom line is that we urgently need a water utility. There are still areas in this country with water unfit for use. There are sizeable towns with no water provision at all. That is unacceptable. If we are serious about attracting future investment by multinationals, developing key sectors such as tourism, which has grown by 9% this year, and promoting Ireland as a food island, we must tackle the environmental scandal of raw sewage seeping into lakes, rivers and seas and having a detrimental impact on provincial towns and cities.

Until such time as Irish Water is established, there will be no proper investment in our water infrastructure. Since the foundation of the State, local authorities have had responsibility for the provision of water services and that was paid for through direct taxation. It led to situations such as that in Galway, for instance, where 50% of the water supply is leaking away before it reaches the tap. The most desperate and utterly untrue pseudo-reason for opposing the establishment of this utility is that it involves double taxation. That is utterly untrue. The new utility will not only do as the local authorities did before, that is, treat and get water to householders' taps, it will also, for the first time, allow for serious multi-billion euro investment in our water infrastructure. The previous regime allowed for no investment worth talking about. Local authorities had very limited ability to borrow and, if they did, such borrowing went onto the national balance sheet.

Senator David Norris: Does this reading from scripts by a succession of Members on the other side of the House indicate disarray within the Government? I have never seen anything like it in this House before.

Acting Chairman (Senator Diarmuid Wilson): Senator Norris, please.

Senator Hildegarde Naughton: Therefore, no investment was made.

The new system, on the other hand, will allow for a new service for the cost of householders' water charges and that service is investment. There is no double taxation. The water and sewerage system is an absolute disaster and we simply do not have the necessary billions of euro to invest it. The alternative to a public utility is for the State to borrow the required moneys and add those borrowings to the Exchequer deficit - the deficit we are only just getting under control. The Opposition should be truthful and present this reality to the electorate. If we were previously taxed for water services, then where is the modern water and sewerage infrastructure? Is the Opposition seriously proposing a deficit increase? If Members vote down this legislation, they are saying they want investment in water infrastructure but will adopt the Sinn Féin tactic of wanting every service possible while opposing any method to pay for it. That would be endorsing the same-as-usual, populist politics that dragged this State to its knees. We are in the process of dragging ourselves out of that morass and I urge Senators to play no part in reversing that.

The simple truth is that we never taxed people sufficiently to fund a modern water infrastructure structure. Direct State investment is currently unaffordable and would, in any event, increase the deficit. The establishment of a water utility is the only way forward, unpopular as it may be. It is entirely our fault that this type of populist rhetoric has taken hold; I will not blame anyone else for that. The incompetence displayed in the setting up of Irish Water has caused justifiable anger and mistrust. However, the alternative is financially much worse. I hope my colleagues, the Independent Senators, will forgo the opportunity to give the Government a kicking and instead do the right thing by supporting this legislation.

Senator Darragh O'Brien: I welcome the Minister to the House. He might have difficulty getting his head through the door on his way out after all the compliments he has received from colleagues on the other side of the House.

Deputy Alan Kelly: I do not know about that.

Senator Darragh O'Brien: I am quite astonished to see Fine Gael and Labour Party Members coming in here with a very scripted, pre-prepared approach which involves having a go at Fianna Fáil-----

Senator Michael Mullins: Excuse me, Senator O'Brien.

Acting Chairman (Senator Diarmuid Wilson): Senator Mullins already had an opportunity to speak.

(Interruptions).

Senator Darragh O'Brien: Colleagues opposite are not even talking about the Bill. It is a lot of nonsense. Some of the remarks have been absolutely incredible, including, in particular, those of Senator Mullins and the Leader. There was reference to people in urban areas not having ever paid for water. What a load of rubbish. One need only look at how the property tax was structured as an anti-urban charge to see what this Government is about.

Senator David Norris: Hear, hear.

Senator Darragh O'Brien: People living in a one-bedroom apartment in Dublin are paying more than the owner of a five-bedroom house in Tipperary. It is a nonsense to say that is

fair. I ask Members opposite not to go on with that type of stuff.

I recognise that the Minister has rowed back and tried to rectify some of the terrible decisions of his predecessor. Of course, those decisions were made with the agreement of Labour Party Ministers. Where is Cabinet collective responsibility in all of this? Members opposite traipsed in here this time last year and voted against every amendment we tabled. When we on this side of the House - not just my Fianna Fáil colleagues and me, but other Opposition Members - pointed out that the Government was going against independent advice in the manner in which Irish Water was being established, our warnings were ignored. The Government likewise ignored the advice from PricewaterhouseCoopers and went ahead with its plan. The Minister is now trying to fix that mess.

Unfortunately, the Bill he has brought forward is a bad Bill that will copperfasten a bad plan by a bad Government. It will deliver nothing. The Government will probably raise some €20 million from these measures. In fact, I expect it will not even get the plan through the European Commission given the level of subvention being put in place in an effort to get people to buy a pig in a poke. It is not about water conservation any more. I say this as a person who supports a metering programme. It is important to have meters so that we can identify the location of leaks and facilitate people to have control over their water usage. We have heard a lot of rubbish to the effect that there was no investment in water infrastructure under previous Governments. In my area I can give 20 examples of new sewage treatment plants and water network upgrades. While it might not be enough, there has been investment in water services. Will the Minister follow through on a commitment given to me two years ago by the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, that he would carry out a full review on the greater Dublin drainage programme? I heard the Minister recently say on the news that he needs to deliver a massive sewage treatment plant in Dublin when he does not. The Department of Public Expenditure and Reform has already spent €30 million on desktop audits for the greater Dublin drainage programme. It will apply to the Minister shortly for a foreshore licence to destroy the east coast with a sewage treatment plant that will be four times the size of Croke Park. Up to €1 billion has been scheduled to be spent on this project. Will the Minister re-examine it and follow through on the commitment by the Minister for Public Expenditure and Reform that he would review it on a cost-benefit analysis basis?

I nearly got emotional listening to Senator John Whelan earlier. He was so charged about this, saying it was awful, that we need to work together and asking who could play politics with this issue.

Senator Fidelma Healy Eames: We do not want to play politics.

Senator Darragh O'Brien: I am certain Senator Whelan, of course, has never played politics with anything in his life.

Acting Chairman (Senator Diarmuid Wilson): In fairness, Senator Whelan is not in the Chamber to defend himself.

Senator David Norris: He should be.

Senator Darragh O'Brien: Senator Whelan went back to the 1977 general election when Fianna Fáil abolished residential rates. I was three then, so I cannot be blamed for absolutely everything.

18 December 2014

Deputy Alan Kelly: I was only two years old.

Senator Darragh O'Brien: Instead of Members on the Government side talking about the Bill, they have simply come in here-----

Senator Cáit Keane: Fianna Fáil did that in 1977.

Senator Darragh O'Brien: Sorry, Senator Keane.

They have simply come in here and like nodding dogs have put forward the party line on everything. They have not even acknowledged that after 14 hours of debate in the other House no amendments were accepted.

The plebiscite proposal in section 2 was not what was requested by the Seanad. It is not belt and braces on the ownership of Irish Water. If anyone believes it is, it is not. I agree with Senator Cullinane and others that any future Government can amend that section.

Senator Mary Ann O'Brien: Hear, hear.

Senator Darragh O'Brien: If the Minister is serious about not privatising Irish Water-----

Deputy Alan Kelly: I will explain that to the Senator in a while.

Senator Darragh O'Brien: Why not have a referendum then? There will be a series of important referendums in May. The Taoiseach has spoken about a referendum day. What is more important than water? It is a source of life. Senator Mullins talked about this as being the most important day since the establishment of the ESB. What a load of nonsense and complete and utter rubbish. He does not believe that himself. He should have read his script before he came in here to read it out.

Senator Michael Mullins: That is what Fianna Fáil said when it signed up to water charges.

Senator Darragh O'Brien: I urge the Minister to examine the amendments that will be tabled tomorrow. This Bill will be rejected outright. One of the main issues is about the ownership of water. The provision in section 2 for a plebiscite will not cover it. There is no reason on this wide earth as to why we cannot have a referendum on the ownership of water. The Minister said it was complicated and had gone to the Attorney General to confirm that. Just because something is complicated does not mean it cannot be done.

Deputy Alan Kelly: It could be done. I cannot ignore the advice

Senator John Gilroy: What about the eighth amendment?

Acting Chairman (Senator Diarmuid Wilson): Senator Gilroy is fast qualifying for someone to be deemed to be outside the scope of the Bill.

Senator Darragh O'Brien: I appreciate the contribution the Minister has made. The Bill and the Government's plan for Irish Water are flawed. The Minister has tried to correct some of the mistakes of his predecessor but this is still a bad plan and bad legislation. Irish Water is a bad company with which the Government should not proceed. The only way to do that is to reject it through the Seanad. The people voted - my party campaigned for it too - to retain the Seanad to ensure proper checks and balances on legislation, so that brakes can be put on any Government. Unfortunately, this Government, with a majority of over 50 seats in the Lower

House, has proceeded with many different bad Bills because of that majority, not listening to the Opposition. It should have listened to the Opposition a year ago on the Water Services (No. 2) Bill 2013. If it had, it would not be in this mess now.

Senator Ivana Bacik: I welcome the Minister back to the House and thank him for his comments on the constructive debate the House normally has. I hope this debate will be equally constructive. Last night's debate, in which I participated actively, about an electoral commission, on foot of a motion proposed by Senators Mac Conghail and van Turnhout, was excellent. I was glad the Minister accepted it and that the commission will come into being eventually next year.

I am not speaking from a script. These are the notes I have been taking while listening to the debate.

Senator Darragh O'Brien: The Senator is the first to do so, in fairness.

Senator Ivana Bacik: To be fair, plenty of other Members have spoken without a script.

Senator David Norris: Many Members have used scripts. Will the Acting Chairman agree that it is a tradition of this House that Members should not read exclusively from scripts?

Acting Chairman (Senator Diarmuid Wilson): I agree colleagues should be afforded an opportunity to deliver their speeches, by note or any other means, without interruption.

Senator Fidelma Healy Eames: They could whistle it.

Senator Ivana Bacik: I thank the Acting Chairman.

Senator David Norris: All futile.

Senator Ivana Bacik: The Minister acknowledged it is not ideal that we are coming to the House so late in the term with this Bill. The lateness is due to the fact there were so many hours of debate, over 40, in the Dáil. The original timetable for the Bill in this House did allow for an earlier start. The Leader also made it clear we did not guillotine the Water Services (No. 2) Bill last time and, as Senator Landy said, we had 20 hours of debate on the earlier Irish Water Bill. We will not be guillotining this Bill this time either.

Senator Darragh O'Brien: Good.

Senator Ivana Bacik: Like the Minister, I am passionate in my belief for the need for Irish Water to remain in public ownership. I am glad to hear the Minister considered carefully the Seanad vote on a referendum on this issue, bringing it to the Government and the Attorney General for their consideration.

A very tragic case currently before the courts regarding the eight amendment to the Constitution shows the unintended consequences that a constitutional referendum may have. We have to be very careful before we construct constitutional texts. Everyone will acknowledge it would take some time to construct a text for a constitutional provision on the public ownership of Irish Water that might not have unintended consequences that we have seen too often before from different referendums.

I am satisfied with section 2. Not only does it require a resolution of both Houses of the Oireachtas, but that a plebiscite must be held and that a majority of the people must vote for the

sale of any shares in Irish Water to a person other than the Government. The principle that the people must vote on is the one we want to see enshrined in law. No fair-minded person realistically anticipates any Government amending this section. It would be just outrageous.

Senator Darragh O'Brien: A Fine Gael Government would amend it.

Senator Ivana Bacik: I welcome the package agreed by the Government on 19 November and the water conservation grant. The new measures around payment allow for greater certainty and affordability. The original timescale for the creation of Irish Water was highly challenging and it was underestimated how much work would need to be done to ensure this utility would be up and running smoothly. We all acknowledge the mistakes made. As Senators Landy, Cummins and others have said on this side of this House, many of the issues and flaws pointed out by Opposition Members in previous debates have been resolved in this Bill. Again, fair-minded people will accept that this Bill addresses those issues. It is a response by the Government to the concerns expressed democratically by people through their elected representatives and public action on the streets. We saw the latter in great numbers last month.

Changes will be made to the governance of Irish Water. The public water forum is an important development. The Government established the Convention on the Constitution which shows the way in which people power through appropriate fora can really work and ensure democratic governance. The convention recommended that economic, social and cultural rights should be enshrined in the Constitution but that more scrutiny would be needed as to how that would be done. That is the sort of constitutional text we should be working toward in the future.

Everyone on both sides of the House has acknowledged the need to ensure the conservation of water.

5 o'clock

There is no right to a wastewater service. In our current mechanism we have an enormous level of waste. The Minister has also spoken about the high levels of leakages and the fact that we need a complete overhaul of the public water system.

Senator John Whelan has commented that in Dublin we are on the verge of running out of water. Those of us living in Dublin are well aware that we did run out of water last Christmas for many periods, some lasting many days. It was a huge problem for all domestic households but also for those running businesses, particularly restaurants and hotels, over the busy Christmas season. That is the infrastructure that is creaking and flawed and that has suffered from decades of under-investment. That is the issue Irish Water is seeking to tackle.

Some important facts have been highlighted on this side of the House in terms of the savings already visible from the creation of one utility from 31 separate local authorities operating a flawed and creaky water infrastructure. The saving of €170 million arising from the Ringsend wastewater treatment plant upgrade and €12 million in procurement annually are very important and remind us of the need to ensure a better system of management and governance of the precious resource that is our water supply. The Minister mentioned the global context. We know that water is a precious resource internationally, too, and that this is going to become an increasingly difficult issue internationally. This is part of a package of changes. We need to give people incentives to conserve and no longer a right to waste.

Senator Jillian van Turnhout: I thank the Minister and welcome him to the House. I have

read the Bill carefully and listened to the Minister's open and constructive speech. Since my appointment to the Seanad in May 2011, I have taken my role as a legislator very seriously and voted with my conscience on an issue by issue basis. As I prepared for this debate, the Irish proverb, "I wouldn't start from here", sprang to mind, as it did for my colleague, Senator Fiach Mac Conghail whom I showed that I had also written it down. The flaws in the establishment of Irish Water, the arrogance of the Government and the Irish Water leadership and their complete mismanagement are not in dispute. However, the reality is that Irish Water exists; it is not going to go away, and the Bill, while it is not a panacea, addresses and provides remedies for a number of significant issues of concern.

My primary concern is the issue of public ownership. I want to ensure the water supply will remain in public ownership. I trust the people of Ireland and believe - I stress on a first reading - that section 2 provides the necessary safeguards in this regard. However, I am very conscious that my colleagues will be tabling alternative proposals and I will be listening to these proposals and making up my mind accordingly.

It is also welcome that when the Minister took office, he clearly stated no one's water supply would be cut off. The Bill prohibits the disconnection or reduction of water supply to a dwelling because of an unpaid bill.

My colleague, Senator Fiach Mac Conghail, raised the issue of data protection. I share his concerns and question whether the Bill needs to go further. We need to ensure the PPS numbers are disposed of in an appropriate manner and to be assured that this has been done.

I believe in water conservation. That is where I first came to the issue of Irish Water and would have been a supporter of it. I believe in metering because it allows each of us to take individual responsibility for knowing what our water usage is and ensure we monitor it. Much of that water has been lost and as such, we will need to look at the issue again. As the Minister said, 49% of water is lost through leakages. He noted that 5% to 6% was lost on the customer's side.

I also welcome the Minister's commitment today that Irish Water will distinguish between those who will not pay and those who genuinely cannot pay. In the past week we have debated the Social Welfare and Pensions Bill in the House. I wish as many Senators had participated in that debate as are participating today because we have a long way to go in that regard. In recent years I was lectured about the importance of investing in services and supports, yet, at the first opportunity, we go back to cash transfers. There is an issue for us to look at. UNICEF has shown the impact of the recession on children in Ireland compared to those in other similar countries in the OECD. We need to integrate the Revenue and welfare systems if we are to understand what the level of household income is and how we can lift children out of poverty. That is not the issue before us today, but it is one I want to stress because the Minister will be sitting at the Cabinet table and when we have to take these decisions, that is where our priorities must lie. I do not believe the Water Services Bill will be the one that makes the difference for families. What makes the difference is having a fairer taxation system and investment in the provision of supports for children and their families to ensure they are lifted out of poverty.

I will be looking at each amendment tabled by my colleagues on its merits, but important steps are being taken in the Bill which I can support overall.

Senator Paschal Mooney: I also welcome the Minister, Deputy Alan Kelly. Like all of

my colleagues on this side of the House, I also acknowledge the rollback the Minister initiated following his appointment as Minister for the Environment, Community and Local Government. Some of us sat through and contributed to the 17 hours of debate on the original legislation setting up Irish Water, during which, as has been pointed out, the Government accepted no amendments whatsoever. There was no monopoly of wisdom on the Fianna Fáil side of the House; there was wisdom on all sides in all parties and individuals who put forward various amendments and the Minister is to be complimented on having listened to them. He has had, however, little choice but to listen because the main problem has been and remains that the people overwhelmingly do not trust the Government on the question of Irish Water.

Senator Jillian van Turnhout said Irish Water was in place and that there was not much we could do about it. With all due respect, she can do everything about it; she can vote against the Bill. That is what she can do. She can have Irish Water abandoned in favour of a much leaner, more efficient and more accountable entity. That could happen in tandem with the local authorities retaining the right to continue to make the entire water system fit for purpose. It is obvious that the public no longer trusts the Government on the issue of Irish Water. It does not trust Irish Water and I do not think the Minister will ever be able to change this, as that perception is deeply embedded.

Reference has been made to the lobbying that has taken place. I said a few days ago that I had never, in all my time in the House, experienced this number of representations by email on any one issue. I said the number was in excess of 2,500 and counting. This afternoon, at 5.10 p.m., it is in excess of 4,000 and counting. Some 4,000 people across the country have deemed-----

Senator John Gilroy: They are computer-generated emails.

Senator Paschal Mooney: No, they are not.

Senator Darragh O'Brien: That is Senator John Gilroy's problem.

Senator Paschal Mooney: That is precisely the point. The big problem is that Senator John Gilroy believes that to be the case when it is not. It is the plain people of Ireland who are speaking. I have engaged with many people in my constituency. In my experience it is not the case that this is a concerted effort by one particular party, but other Members can speak for themselves. I am sorry to be political, but because Members on the other side of the House has been on this issue, I will be, too. They are peddling the myth that Fianna Fáil did not invest in water infrastructure. If ever an urban myth gained legs, it is this one. At the height of the Celtic tiger €4.8 billion was invested in infrastructure. As Senator Darragh O'Brien pointed out and as many of my colleagues across rural Ireland would testify - if Government Senators were truthful, they would do so, too - there is the evidence of this on the ground in the small local and regional water schemes introduced in the past ten years.

To be even more political, not so much in the context of the abolition of domestic water rates for which, like Senator Darragh O'Brien, I do not feel I was responsible and which I thought was terrible, during the period in office of the Fine Gael-Labour Party coalition between 1981 and 1987, it actually abolished the rates support grant. It then gave the authority to local authorities to raise revenue locally, which resulted in a number of local authorities introducing water rates. The rainbow coalition in the 1990s attempted to introduce water rates. On the eve of the election, rather than having measured and considered reflection on a policy issue, it said,

in a panic, that it would not introduce water charges. In 2003, the then Minister for the Environment, Heritage and Local Government, Martin Cullen, introduced a Water Services Act which attempted to address the water infrastructure in the country.

It is a known and statistically accepted fact that we have approximately 99% water quality, which is unusually high for a country which has a low population density, and we are free of *E. coli*, notwithstanding the boil water notices, particularly in Roscommon. It is a result of the low population density that is unique to Ireland.

Some 25,000 km of piping has to be addressed. No Government, even with all of the money that was available during the Celtic tiger era, would have been able to complete that programme. Fianna Fáil cannot be accused of being lacking in developing the infrastructure of the country, because the legacy is there for everybody to see.

I was the first and only person to raise the question of PPS numbers. It escaped everybody else. Despite the fact that the Bill will amend legislation, there is a very real danger that it is also inherently flawed, and we could be here again to amend the legislation further. As Senator O'Brien pointed out, the storm clouds are already gathering around the amount of money that will be collected and generated as a result of the amending legislation, which may not meet EU subvention requirements. Overall, until such time as the entire water infrastructure is fit for purpose, local authorities should be able to continue to operate its development.

I support the concept of water metering. It has to be in place because of the high rates of leakage, irrespective of what anybody else might think. Otherwise, how will we be able to find out about leaks? I do not think the fair-minded general public would be in opposition to that. Overall, the problem now centres on the credibility factor of Irish Water and whether the Government can be trusted to ensure that there will not be privatisation. That is why we will call for a very specific constitutional amendment to ensure that happens.

Senator Fidelma Healy Eames: I welcome the Minister to the House. I appreciate that he is bringing a level of realism to the debate that was not here this time last year. One year ago I did not vote for water charges for one reason - namely, that I had got no answers to the questions I asked. We are back here a year later for that very reason. The other side of the House assumed at the time that it had all the wisdom and that there was none on this side, but we can see how flawed that was.

The furore over water since 1 October has brought a level of realism and a requirement to re-examine the legislation. The Government side has begun to listen a bit more, but we are still doing the wrong thing, just a little bit righter. The concept of Irish Water has been poorly constructed.

As Senator Barrett said, we have some 4,000 people doing the work of 2,300 people. According to Professor John Fitzgerald of the ESRI, it is the work of 1,700 people. This is the burden and culture being propagated by Irish Water. Everybody wants water, but everybody does not want Irish Water, including the corporate image and the culture of bonuses. While the Minister has taken some of that off the table, including the PPS numbers, we have to get things completely right.

I see merit in examining the possibility of local authorities taking on the job and fixing the leaks. Deals were offered to the Government. Siemens offered to install meters at a cost of €810 million, none of which was to be paid up front, and recoup the cost over time, but that was

taken off the table by, I presume, the former Minister, Phil Hogan. The deal was given to Denis O'Brien's Siteserv at a cost of, I understand, €539 million for obsolete meters that will need to be read by a person travelling around in a van. If we had decided on smart metering, people would have been able to monitor their usage from inside their homes. That would have been a step in the right direction towards water conservation.

In his speech the Minister said that, according to the OECD, "metering is the key to fairness." Some 533,000 meters have been installed in 16 months. Given that there are 1.6 million homes in the country, we are one-third of the way there. Water has a price. We need it, and producing it carries a cost. Charges should not commence until all homes have meters installed. After that, there should be at least two terms during which readings are given to every household in the country to show them their usage. The first reading would show households whether they are above the average usage for family size and if they have leaks. The second should be able to show whether that has been corrected. After that, it would be fair to begin a process of charging for water.

The Minister is offering a grant of €100, but it is not a water conservation grant. It is an inducement to sign up and nothing else. It is a sop to the Irish people at a fairly considerable cost, namely, €130 million from the Exchequer. The accident and emergency department in University College Hospital Galway could use that money right now, such is the overcrowding of people over 80 years of age on trolleys.

If the €100 water conservation grant is genuine, where are the metrics the Minister will use to verify that people are conserving water and are therefore entitled to the grant? There are none that I have heard of. Giving people €100 and calling it a water conservation grant when it cannot be proved that they are conserving water is the type of hypocrisy that really annoys people. Water is a precious resource and is fundamental to life. It must never be subject to manipulation.

If water services ever go into the hands of a private company or into private ownership, they would be subject to manipulation. Every day I hear that nobody in the House wants water to be privatised, but it is our job to put legislation on the books that will stand into the future for all Governments. Irish Water must, therefore, be kept in public ownership. The plebiscite in section 2 of the Bill to which the Minister referred will not ensure that water is kept in public ownership, because it is dependent on a resolution of the Houses. Does the term "resolution" mean a majority of both Houses? That is not secure; just look at how the other House voted yesterday. A resolution of both Houses does not mean that we will keep water in public ownership. There is only one way to do that, namely, to enshrine it in the Constitution in perpetuity. I was moved by the case made by Senator Marie-Louise O'Donnell a few weeks ago in the House.

I would see the €160 net charge as reasonable if I thought the Government could ensure that figure was sustainable after 2019. I have not yet decided how I will vote, but if the Minister can tell me the figures to show that the charge will be sustainable for Irish families after 2019 and we can invest in water infrastructure at the same time, he will have my vote.

Senator John Gilroy: I welcome the Minister to the Chamber. I pay tribute to him for the sure-footed way he has handled the entire debacle that has been Irish Water

Senator Darragh O'Brien: That is my twelfth compliment, which is unbelievable. The Minister is going well. If I was the Tánaiste, I would be worried.

Senator John Gilroy: I am disappointed that my good friend and colleague, Senator O'Brien, is making out that we are whipped when we come into the House, say what we have to say, do not believe it at all and vote in a particular way. I do not act like that. I make up my own mind. I conducted a wide consultation on social media about water charges last Sunday.

Senator Darragh O'Brien: What did the Senator find?

Senator John Gilroy: I was asked would I support the Bill and I said I would. I received 518 comments, some of which were not wholly positive from 126 irate people. That is a substantial number of people who feel annoyed enough about Irish Water to tweet about it.

Senator Mooney said he received 4,000 e-mails lobbying him but I only received 1,000. Obviously the Opposition is more popular than the Government and can do more with legislation. I conducted another experiment and I replied to 100 of them seeking further information but I received no replies. The e-mails received by Senator Mooney and I were computer generated, although I might be wrong.

Senator Gerard P. Craughwell: There is no such thing as a computer generated e-mail.

Deputy Alan Kelly: Trust me, there is.

Senator John Gilroy: During my consultation on Twitter and Facebook, nine distinct issues were raised about which people were concerned. They related to privatisation, flouridation and legal matters. Inability to pay was not a hug issues but I accept these concerns. The Minister's predecessor, Mr. Hogan, allowed these concerns to arise. Most of them are needless and should have been dealt with in a proper way. Mr. Hogan's eye was clearly off the ball when he introduced the original legislation.

Senator Cáit Keane: What about collective Cabinet responsibility?

Senator Darragh O'Brien: She is even heckling Senator Gilroy.

Senator Cáit Keane: I stick with the facts.

Senator John Gilroy: I refer again to the Minister's sure-footed management of this issue. I have two scripts - one of which is benign and the other less benign. I will go to the left.

Senator Trevor Ó Clochartaigh: Is it a transferable script about Sinn Féin?

Senator John Gilroy: Sinn Féin-----

Senator Trevor Ó Clochartaigh: Surprise, surprise. We have heard this one before.

Senator John Gilroy: I will start again. Senator Cullinane-----

An Cathaoirleach: Will the Senator speak about the Bill?

Senator John Gilroy: -----said that we should have listened to the Sinn Féin amendments because they would have been brilliant. Why would they not be when Sinn Féin is installing 36,000 water meters in Northern Ireland and, therefore, the party knows what it is talking about?

Senator Trevor Ó Clochartaigh: No, we are not. The Senator is wrong again.

Senator John Gilroy: Senator O'Brien also complained that we did not listen. He made a worrying observation in his contribution when he said that he had grave concerns about the waste treatment plant proposed for Dublin. Funnily enough, it is in his constituency. He could be unfairly accused of NIMBYism.

Senator Darragh O'Brien: There are 13,000 objections.

Senator John Gilroy: Is it not Fianna Fáil's NIMBYism that led the country into the mess which we had to address when we took over?

Senator Darragh O'Brien: There are 15 sewerage treatment plants in Fingal.

Senator John Gilroy: Senator Mooney addressed the Bill in his contribution. While I missed a number of contributions, I did not hear too many Second Stage speeches but I heard a great deal of propaganda from the Opposition.

I support the Bill because we need investment in water services and the only way to do that is to pay for it. Do we pay for this out of general taxation? It is contradictory on the part of those who purport to be on the Left to say everything should be paid for out of general taxation. If they are consistent in their ideology or if they are in any way intelligent, they have to say-----

Senator Trevor Ó Clochartaigh: The Senator is not consistent in his ideology.

Senator John Gilroy: This is a basic tenet of the left wing. We do not load tax after tax on work. That is nonsense. The Anti-Austerity Alliance, Sinn Féin and the People Before Profit Alliance all say water services should be paid for out of general taxation.

If we remove as many costs from the Exchequer as we can, we will be in a position to do something about reducing and, ultimately, eliminating the unpopular universal social charge. If we continue to heap charge after charge on the Exchequer, there is no way we will be able to replace the €4 billion the people pay through the USC. If we reduce the USC, the benefits that would accrue to the people would vastly outweigh the modest cost they will pay for water. That is my reason for voting for the legislation. Nobody has told me to say that. I am a left wing politician and I arrived at this opinion myself.

Senator Trevor Ó Clochartaigh: We will see what the electorate has to say.

Senator John Gilroy: It is all about votes. Sinn Féin has consistently geared everything towards the election. Under Sinn Féin, we will have no water charges, septic tank charges, property tax or USC and we will burn the bondholders. Water services cost €15 billion and the party has not accounted for that.

Senator Trevor Ó Clochartaigh: The Senator had not read our pre-budget submission properly. He should do his homework.

Senator Mary Ann O'Brien: Irish Water exists and, sadly, it is not going anywhere. This good Minister is stuck holding this poisoned chalice that was handed to him. Have we not all learned a great deal about water over the past year?

I believe in paying for a world class water structure and I would still like to see a carefully planned spending strategy for the next ten to 15 years on such a structure to treat and transport our water. However, I also believe Article 10 of the Constitution needs to be debated and re-

written. There is great concern and unhappiness among the public about the potential privatisation of Irish Water. In providing for a plebiscite before the proposed privatisation of water services in the legislation, the Minister is clearly acknowledging this public concern. However, the legislation provides no meaningful guarantees. Why does the Government want to keep the option of privatisation open to future Governments? A plebiscite is a vote of every citizen who is registered to vote on an issue of national significance. I will not disagree that the ownership of our water supply is one such issue. Air and water are our most valuable natural resources. There are many natural resources but I can live without gas, for example. I understand that if the Government of the day is not obliged to follow the wishes of the people in any such vote, the Minister can choose to ignore the outcome of a plebiscite. As Senator Norris said, a plebiscite is not defining. This provision does not go far enough. A referendum is, therefore, required and I will support Senator Zappone's amendment in this regard on Committee and Report Stages.

I would like the Minister to address the following hypothetical but credible scenario in his reply: if a Government decides in ten years to amend this legislation, is it correct that a simple amendment could be tabled to delete any reference to holding a plebiscite? If the Government got the amended Bill through both Houses, it would be free to sell Irish Water if it saw fit. They then would be free to sell Irish Water if they saw fit. I seek clarification from the Minister on this point.

Deputy Alan Kelly: No problem.

Senator Mary Ann O'Brien: Will the Minister explain to the House what is the downside to a referendum? I cannot accept the complexities as outlined in his opening speech as an explanation.

Deputy Alan Kelly: I will do.

Senator Mary Ann O'Brien: The reason I and other Senators want to move beyond the plebiscite to constitutional protection is that legislation can be changed, and we certainly know from experience what could come from Europe. Everyone in the Chamber should cast their minds back to the famous letter of December 2010, which I read today, from Mr. Jean-Claude Trichet to the then Minister for Finance, the late Deputy Brian Lenihan and Mr. Patrick Honohan, the Governor of the Central Bank. Mr. Trichet demanded structural reforms, and a nightmare that none of us could ever have dreamed ensued when the European Central Bank acted totally beyond its mandate in demanding them. A few weeks later the first memorandum of understanding was signed, and it contained two structural reforms. One of them was that Irish people must be charged for water, and they laid out for us in black and white exactly what we should do. We do not have any crystal balls but, having read this memo of understanding this afternoon, it is not outside the realm of possibility that a future Irish Government might come under very serious, perhaps legal, pressure from Europe. What is to stop an EU competition law being thrust upon us and directing us to privatise our water?

Senator Darragh O'Brien: Hear, hear.

Senator Mary Ann O'Brien: My question again to the Minister is, if he is dedicated to the water supply never being privatised, and if the plebiscite does not provide the guarantee that is required, could he please explain what the downside is to a referendum? I am asking all the Senators today to reject the plebiscite proposal in this Bill and send it back to the Dáil.

Senator Gerard P. Craughwell: Hear, hear.

Senator Mary Ann O'Brien: We must send a crystal clear message that our water must remain in the ownership of our human beings and it should be enshrined in our constitution. I would also remind the Minister that fluoride corrodes our pipes, so he should do himself an extra favour at the next Cabinet meeting, and for goodness sake remove it once and for all from our water. Only 2% of Europe still has it and it corrodes the Minister's precious pipes.

Senator Trevor Ó Clochartaigh: Hear, hear.

Senator Fidelma Healy Eames: Hear, hear. We are part of that 2%.

Senator Eamonn Coghlan: The Minister is very welcome to the House and I congratulate him for his openness, clarity and compassion as he has dealt with this minefield he has inherited. I think people are sick and tired of hearing about water. I was just outside a little while ago and it was teeming down. Did the Minister ever drive his car home when the rain is coming down, the wipers going back and forth, and did he say to himself there was nothing but rain, rain, rain, and if we could only bottle it, we would make something out of it?

Senator Gerard P. Craughwell: Put a bucket out.

Senator Eamonn Coghlan: Then I began to think we could have a pipeline going up to Saudi Arabia, actually two pipelines: one with water going up there and one with oil coming back down here. We could do an exchange and do really well out of it.

In all seriousness, water is a very valuable resource and it belongs to the people of Ireland. It should always remain in the ownership of the people.

Senator Fidelma Healy Eames: Senator Coghlan should vote for it.

Senator Eamonn Coghlan: The amendment the Minister is bringing to the House today gives me belief and understanding that it will remain with the people in the future. It is a valuable resource and it is a necessity; we cannot live without water. We do not really respect our water and we have to do so. There would be no world without water. We need to protect our water, we need clean water and we need to manage it an awful lot better than we have in the past. We have to put serious investment - in the right way - into protecting our water, the people's water. We need to run it in a businesslike fashion.

The Minister inherited a mess and many hours of it have been debated here in the House. There have been hours of it on television, miles of it in the newspapers according to some documents I believe were shown today, and it was Senator Cullinane who said today could be a historic day in the Seanad if we turn this down. Today is a historic day in the Seanad as far as I am concerned because this is perhaps the first time in the history of the State that our water has received so much debate.

We have to think of the purification, delivery and disposal of our water. From the little bit of reading I have been doing, no Government in the past 80 years has done anything with the water system and that is what we are debating here today, not the stigma over Irish Water or the image it might have.

Senator Darragh O'Brien: That is not correct.

Senator Eamonn Coghlan: We are talking about the future. There are people out there who do not agree that we should be paying for our water and there are people who say we should

pay for what we use. The past system was disgraceful, fragmented and disjointed with all the various county councils around the country. There was no unification whatsoever. People say they have already paid for water in their general taxation and ask why they should pay for it again. If the people have been paying for it in their taxes all these years, how come previous Governments have failed to deliver a proper water system? Our treatment plants, the hundreds and thousands of kilometres of pipes all around the country, with people still boiling water and still wasting water, are an absolute disgrace.

I lived in America for about 20 years and travelled the world a lot. When my friends in the US hear there are thousands of people protesting because they have to pay water charges, they are stunned we do not pay for water in Ireland and want to know how come. They just cannot understand it. I think there are only two countries in the OECD that do not pay for water. This is a serious cultural and behavioural change for the future in people's habits and the way we use our water. This is a new way, a new structure, and I support the Minister and his Bill. I do not believe there is anything to fear for the people of Ireland. Most of the fear is coming from the scaremongering that is going on. I believe Irish Water will be a success and we have to give it a chance. When water is under the bridge a decade from now and all this is clear, we will have clean, safe delivered water and people will forget about this debate. We need a proper water system and Irish water will deliver.

Senator Trevor Ó Clochartaigh: Cuirim fáilte roimh an Aire. Tá mé ag éisteacht go cúramach le gach rud a bhfuil le rá aige. Ba mhaith liom a rá go bhfuil mé glan i gcoinne an Bhillle seo. Ní chuirfidh sé sin aon iontas ar an Aire.

We have heard a lot of debate over and back but the basic principle around what is happening here and what people were marching against on 10 December has not changed. Although a stay has been put on the implementation of water charges, the fact of the matter is that water charging is going to come in. Once it is introduced, those costs can be increased. The water metering programme is going to continue and metered charges will come in. There is still no constitutional right to water, as has been alluded to by many colleagues here. This is really a ploy to get people to sign up to the principle. People on the streets know it and most of the hundreds of thousands of people, many of whom I spoke to in Galway and Dublin and other places, realise that is what is going on and are not falling for it, to be quite frank.

There has been a number of points made around the costs, etc., and I note that the Minister talked about waste water treatment in Cobh, Youghal and Bundoran. Certainly, there has been a lack of investment in infrastructure in local authorities over the past number of years but the €80 million that has been spent on the consultants in Irish Water would have gone a long way to put in place those wastewater treatment plants, and Clifden, Spiddal and Carraroe in County Galway could have been added to that list.

I am flabbergasted to hear Senator Hildegard Naughton state that people have never been taxed sufficiently to pay for water. I totally disagree with that - it is a ludicrous statement - because we are paying, through other taxation mechanisms, for water for a long time.

The installation of the meters was initially budgeted for at around €450 million mark.

Senator John Gilroy: Are we discussing Northern Ireland or Ireland?

Senator Trevor Ó Clochartaigh: The cost now, I believe, will be €539 million. The talk of Irish Water being good at managing costs is blown out the window there. The €100 million

above the estimate in that scenario cancels out the Poolbeg saving to which the Minister alluded earlier as well.

I tend to agree with Senator van Turnhout on many issues but I disagree with one of the issues she raised today around the extra burden that the cost of paying for Irish Water will impose on families and I will give a practical example, that of a single mother to whom I spoke last week in Galway. The woman, who rang me specifically, has no connection with my party whatsoever. She stated that this is the last straw. She stated that, as she approaches Christmas, even the €3 a week is far too much for her with her two children. The Government parties are deluding themselves when they try to convince people that it is only €3 a week. It is €3 a week on top of all of the other costs that have been imposed on this family. That is why so many came out on the streets. That is the point they were trying to make. That is the point the Minister is still not listening to.

I do not tend to agree often with the former Minister of State, Deputy O'Dowd. Certainly, when he came in here to discuss the previous setting up of Irish Water, I did not agree with him. When I heard him state on "Morning Ireland" that Irish Water was an unmitigated disaster, however, I certainly agreed with him wholeheartedly. The scapegoating of the former Minister, Commissioner Phil Hogan, is hilarious as well because every Senator on the Government side here voted and supported him wholeheartedly. None of the amendments that we put forward were accepted by the Government, that is, Labour and Fine Gael together.

Senator Diarmuid Wilson: Including Senator O'Neill.

Senator Trevor Ó Clochartaigh: Let the Senators not do a Pontius Pilate job on it now in blaming Big Phil. As a result, the former Minister got a lovely promotion.

Senator Cáit Keane: Phil would be delighted.

Senator Trevor Ó Clochartaigh: He went off to find himself a green jersey, as far as I know, somewhere in Brussels.

Senator Mary M. White: He got an important portfolio for the Irish.

Senator Trevor Ó Clochartaigh: I agree with Senator Eamonn Coghlan on water being a valuable resource.

Senator Pat O'Neill: Mr. Matt Carthy MEP got a lovely answer too.

Senator Trevor Ó Clochartaigh: Senator Coghlan is correct that it should be kept in the ownership of the Irish people, but I do not buy in to this agenda that Irish Water is only there for conservation measures and to save money and to put in place better infrastructure, and I can give a practical example, that of the cost of the regional water scheme in Connemara. Previous to this, Galway County Council, after a 40 year campaign, had put in the first part of that scheme - the pipes are in place. The second part of that scheme was to connect to a clean source of water so that we would have water to go through the pipes. That had been sanctioned by the Department of the Environment, Community and Local Government and agreed to, from a planning perspective. Galway County Council was on board. The first decision Irish Water made when it came on board was to review the position and what we found out is that it is scrapping that essential investment. This is scrapping investment to a community that has been drinking water which has exceeded WHO levels of trihalomethanes, THMs, since 2008. That

information had to be dragged out of the local authority and others. What is happening here is not an investment. It is a divestment from projects. It is becoming clear, from what Irish Water has told us about what is happening regionally, the company intends to set up regional schemes. In the case of Galway, Irish Water will pump water from Galway out through Connemara. There will be a necklace of regional schemes set up here. I take it the Minister is sincere in stating that it is not his intention to privatise Irish Water but I put it to him that he is lining up the ducks for whoever wants to privatise Irish Water.

Senator John Gilroy: When Sinn Féin is in government, does Senator Ó Clochartaigh mean?

Senator Trevor Ó Clochartaigh: The Minister is putting the infrastructure in place at the behest of his EU masters.

Deputy Alan Kelly: One could not trust Sinn Féin in government.

Senator Trevor Ó Clochartaigh: That is exactly what is being lined up here so that those regional water schemes or their operation can be privatised in the future. My party and I will certainly oppose that.

Tá go leor eile le rá faoi na costais a bhaineann le grúpscéimeanna uisce agus mar sin de. Beimid ag tarraingt anuas na ceisteanna seo ar fad ar Chéim an Choiste. I believe that the Independent Senators will be independent on this and vote with their conscience. I hope that this Bill is defeated on Second Stage. It should never be allowed to get to Committee Stage.

Senator Labhrás Ó Murchú: We are considering the future, not of Uisce Éireann but of the water of Ireland and its availability, its quality, conservation and the uncontested right of the Irish people to this life-giving resource. That right was challenged during the evolution of Uisce Éireann when at one stage people were threatened with having their water turned off, in other words, that one could not wash or cook for one's children. The people power on the streets got that modified to some extent. They were told Irish Water would not turn the water off completely, but would only give a little water. Therefore, a person could only wash himself or herself a little and only cook every so often. Out of the Proclamation of 1916 came the big question: how were we cherishing all the children of the nation equally if we told them we would turn off their water if they did not pay? Often these were people who could not pay. I acknowledge that the Minister has made a valiant effort to salvage at a point of no return. That point of no return was not at that particular stage but when we did not make this a red-line issue in Europe, which we should have done. We had taken on austerity measures and we crucified the people of Ireland with them. They suffered so much. However, when it came to water, a life-giving resource, we should have stated quite clearly, "Thus far and no further", and then we would have been doing what was right for the people.

It has been said here that the setting up of Uisce Éireann is akin to the setting up of the ESB, but that was not evident in Dáil Éireann when the legislation was first brought in and the guillotine used after two hours. If it was akin to the setting up of the ESB, surely we should have been talking of two days or three days. That is why we find ourselves in the position we are in today.

Sometimes it would pay to listen a little more closely to the man and woman on the street and the common sense which one will hear from them. We heard it, the Minister heard it. The question is - did we listen carefully? When 300,000 to 400,000 people take to the streets, that is because they have not been listened to in the initial stages. It is disingenuous to try in some way

to diminish what those people were doing or, worse, as has been happening at times, to misrepresent the decent people of Ireland who knew full well that they could not pay any more - they had paid it all. We are comfortable here. We are well paid and we have expenses. Sometimes it is very difficult to get down off the hobby horse and realise what we mean by “people just cannot pay”. There are still children going to school whose families cannot clothe them. There are still people going to bed early in the evening to stay warm. We do not experience this. It is a different world out there. There are people who cannot even get one meal a day and this is an independent republic which will celebrate 1916 in a year’s time.

What will happen here today? I am not taking any political partisan position on this at all. If the Minister thinks that passing today’s legislation solves the problem, he is wrong. It does quite the opposite. I will tell him what it will do. What does the Government propose to do to about the unrest that has built up? Will the hundreds of thousands of people who protested on the streets and other people who do not pay the poll tax be taken to court or imprisoned?

Senator John Gilroy: No.

Senator Labhrás Ó Murchú: They will not. Therefore, we are admitting that it will not be possible to collect this money. The legislation up to this point has been flawed. It was wrong from the beginning. Seanad Éireann has an opportunity today, not to defeat the Government - we need to get away from that - or the legislation, which should be defeated for the right reasons, but to correct what has been a debacle from day one and ensure a 90-day reflection period to allow the Government to go back to the drawing board-----

Senator Trevor Ó Clochartaigh: Hear, hear.

Senator David Norris: Well said.

Senator Labhrás Ó Murchú: Then, let us all work together for the people of Ireland.

Senator Diarmuid Wilson: Hear, hear.

Senator Feargal Quinn: I welcome the Minister. It is particularly welcome that the legislation on this matter has been improved no end since last year. That is not to suggest this Bill is perfect. I accept the objectives of this Bill and what it seeks to achieve. I believe in water metering and conservation. Have we gone about this in the right way? I do not think so.

The Minister has not up to now accepted many amendments proposed in this House. If we pass the Second Stage reading of this legislation this evening will the Minister be willing to consider our amendments to it on Committee Stage. I would like to think he will not turn a blind eye to them or refuse to accept any of them. The legislation as currently drafted has changed considerably since first published. While it has been improved considerably there is still more to be done.

On the issue of PPS numbers, I did not understand the reason for the provision in that regard. There was a huge outcry against it, which the Government noted. I tabled a Bill on the issue but was able to withdraw it when the Government changed its mind, perhaps because of the thousands of people who objected to and did not understand it. That is only one of the changes made. I must be the only person in this House who believes that we should not close the door to the privatisation in the future of Irish Water. I am not suggesting it should be done now or in the near future. I grew up in an Ireland in which if one wanted to travel by aeroplane

there was only one Irish owned State airline to choose from in that regard. The same applied in respect of travel by bus or boat.

Senator David Norris: Proper order.

Senator Feargal Quinn: This situation was greatly improved when competition was introduced and thought was given to putting the customer first and how to generate business on that basis.

In my opinion, address of the water conservation issue has not been well-thought out in this legislation. I have a large garden with a big lawn and I use a great deal of water in watering that lawn. I am not sure that I will have to pay more for water than my neighbours who do not have a big garden and do not water their lawn. In Germany, the Government has encouraged people and builders to install water tanks in the attics of new and old houses and pays them for conservation of rain water. Is any initiative of that type being considered here? I recall having read an article on such an initiative but I did not quite understand it.

Senator Barrett said earlier that 25,000 metres of our piping is more than 100 years old yet when we asked Irish Water what would happen if an issue with piping arose and it needed to be repaired the response was that people would not have to pay for the first repair. Despite that some of our pipes are more than 100 years old, if a problem arises Irish Water will only repair it free of charge once. In this regard, a particular hotel, which is probably a couple of hundred years old, comes to mind. How will that hotel exist if it has to bear the cost of repairs to its pipes which have been in place for a very long time? I am concerned about the lack of regard for money. I could not get over the figures referred to by Senator Barrett on the spend on Irish Water, including that it has spent approximately €70 million on consultancies. I cannot believe that. We have been also told that €1.5 billion is the cost of paying 2,500 staff who will not be needed in the future. We have also read about staff being paid bonuses. The term “bonus” usually means payment to a person in respect of a job done well. However, in this instance bonuses are being paid to people who have not yet done a good job. How is it proposed to monitor all of this to ensure we are achieving what we are setting out to do on this basis?

There are many questions to be answered and many question marks overhanging this legislation yet the Minister has not thus far said that he is willing to consider some of the Seanad amendments tabled. In regard to his statement that he accepted two amendments yesterday in the Dáil, were they ministerial amendments or amendments tabled by-----

Deputy Alan Kelly: They were a mixture of amendments arising out of the discussion.

Senator Feargal Quinn: The Minister has in that regard set the example. I hope he can accept some Seanad amendments. I believe this House has a valuable role to play in the passage of this legislation. I believe also that democracy will be enhanced if the Minister can say today that he is willing to consider some legislative changes by way of acceptance tomorrow of some of the Seanad Committee Stage amendments. I propose to vote in favour of this legislation if the Minister can say that.

Senator Mary M. White: I welcome the Minister to the House and compliment him on delivery of his proposition for Irish Water during his first speech on this issue a couple of weeks ago. I know he personally has made intelligent, valiant efforts to turn the situation around. However, Fianna Fáil believes it is time to abolish Irish Water and to suspend water charges pending a full review of the policy.

Senator Darragh O'Brien: Hear, hear.

Senator Mary M. White: This latest U-turn by the Government underlines the complete mess it has made of our most important natural resource. Reference was made by a Senator opposite to the ESB. When the ESB was established in 1927 it was the most tremendous entity ever delivered for Ireland. It was a well managed project from beginning to end. This Irish Water project has been disastrously managed. The people involved do not have a clue about project management and capitulated to the troika in terms of the speed with which it was believed this project could be managed. The whole thing is a farce.

Fianna Fáil has from day one been opposed to the establishment of Irish Water. The controversy referred to by numerous speakers this evening of consultancy costs, bonuses and over-staffing of this super-quango has borne out Fianna Fáil's fears and has unleashed in our society frightening forces never seen before. There are extreme politically active groups who want to bring down the Government because of its incompetence in the establishment of Irish Water. The concern is not about the establishment of Irish Water but the manner in which establishing it has been handled and the introduction of property taxes at the same time as people were to be charged for water. It does not make sense. The whole thing has been a disaster. The major infrastructural changes in Ireland during the establishment of the ESB was exemplary in terms of delivery, despite that Ireland was at that time only an infant country. The lack of expertise and knowledge in terms of the establishment of Irish Water is atrocious.

6 o'clock

The lack of expertise and knowledge in setting it up is atrocious. We have to conserve our water. As a result of this discussion I am becoming more careful when I turn on the tap. Last year, my husband and I visited the site of the Battle of Tewkesbury. I had my hair done in Tewkesbury and I noticed the lady did not use very much water to wash my hair so I asked her if she was charged for water. She said "Of course we are". We have to be brought back to the reality that it is our greatest natural resource and it has to be protected.

There seems to be a unanimous view that our water should not be privatised. We should discuss that. Competition is the spice of life and, as the Minister said, in many ways we have become more efficient.

Senator John Gilroy: If Fianna Fáil is for privatisation of water we might not need a referendum.

Senator Mary M. White: People should stand back from the populist view that water should never be privatised. Let us consider it and decide what is the right way to go. I am not throwing bouquets at the Minister but he is doing his very best. I always admire people who put their heart and soul into the job they have to do.

Senator Gerard P. Craughwell: The Minister is welcome to the House. I suppose when he saw me standing he said it must be time to go home.

Senator Martin Conway: The Senator is not that bad.

Senator Gerard P. Craughwell: I criticised the Minister strongly for walking out of the Dáil when he introduced the Bill. I compliment him today on sitting through what must be a very tough time. I can see that he is anxious to get out of here. I also admire him for taking on

the portfolio he took on for it was truly a poisoned chalice.

Irish Water was established in 2013 and from the outset everything about this company has been shady. Everything one could think about it has been wrong, including the award of the meters contract and the PricewaterhouseCoopers report that was brought before the Seanad with parts blacked out. I do not understand why the Minister accepted what he inherited instead of scrapping it and starting from scratch. That would have been a much better job and the Minister would have had a much easier life.

Senator Landy spoke this morning about having been in contact with councillors. The Members on the other side of the House will be depending on councillors to re-elect them. I have been in contact with councillors and they are concerned that Irish Water is the new Health Service Executive, HSE, unaccountable and a black hole for money. I have their texts, e-mails and voice messages on my phone for anybody who wants to hear them. They see the charges as another tax. These are not the people who were marching on the street. These are locally elected representatives. They regard it as a FUBAR, from the beginning. If the Minister does not know what that is I will be happy to tell him outside this House.

When the Minister talked about affordability this morning he said it is only €3.

Deputy Alan Kelly: I did not say that.

Senator Gerard P. Craughwell: I knew a time in my life when all I had to eat one day was a sliced pan and three beetroots. I know what real poverty is like.

Deputy Alan Kelly: The Senator is not alone.

Senator Gerard P. Craughwell: I am delighted to hear that because there are people who talk about €3 as if it was nothing.

Deputy Alan Kelly: Does the Senator know my background?

Senator Gerard P. Craughwell: I got a phone call this afternoon from a councillor in Tralee to tell me that the Vincent de Paul in Tralee handed out 1,000 food parcels. The Minister may pass that on to some of our colleagues

The Minister is encouraging me to divorce my wife of 38 years because my neighbour is getting his water for €60 because his is a one-person household. I am paying €160 and the guy up the road who has eight kids is also paying €160. I am seriously considering divorce this evening. It might be a cheaper way of living.

There is some suggestion that the county councils have not done their job over the years in respect of water services. Nobody in this room on either side of the House - I was not here - need stand up and take a bow because they starved the councils of money, therefore they could not have built the water services infrastructure we needed.

I do not understand the purpose of the meters other than to live up to the contracts the Department awarded because there is a fixed charge. We do not need meters. Why bother putting them in? The Minister talks about a usage based system. My neighbours in South County Dublin will be filling their swimming pools while I cannot afford to fill my bath.

Senator Mary M. White: The Senator should be careful in what he says about South

County Dublin.

Senator Gerard P. Craughwell: The Minister says the bonus structure has gone away. I would like him to address this today because we both know that one cannot take away a term or condition of employment without compensating those who are entitled to it. I am not one bit concerned about the top guys who are going to walk away with megabucks in their pockets. I am talking about the guys who are on €35,000 or €40,000 a year with this as part of their income. To take it away now is wrong.

I am not sure what the public water forum is for. It involves between 12 and 60 people. We all know that when a committee designs a horse it ends up with a camel. Senator Healy Eames is correct in saying the conservation grant is a scam to get people to sign up.

I have worked in information technology for 25 years. There is no such thing as a computer-generated e-mail.

Deputy Alan Kelly: I worked in it too.

Senator Gerard P. Craughwell: There are group e-mails, there are spam e-mails but some human somewhere has to make them initially.

Senator John Gilroy: The person only has to press the button once.

Senator Gerard P. Craughwell: Somebody said something about scaremongering. I am delighted the Minister rejected the scaremongering by his Cabinet colleagues. I compliment him on that.

There is no fairness in the charge. There is no fairness in anything this Government has brought in. We have only to consider property charges. Try living in Dublin and see how much the property tax is, then start paying for water. My colleagues from rural Ireland have been paying for water for years.

Senator Quinn and several others have referred to amendments. I have tabled an amendment. We are not stupid in here. A plebiscite is nothing. It has no legal basis. The Government cannot be forced and a simple Act of Parliament can remove the need for a plebiscite. There is only one plebiscite, a referendum that places water in the ownership of the people.

I support Senator Ó Murchú's call for a 90 day period of reflection. Let us sit back and think about where we are going. I would have been much happier had my motion this morning to delay this debate until January been agreed. I may be forced to vote against the Bill if I do not see some move on the referendum.

Senator Martin Conway: I do not mind that the Minister is heading off because he knows exactly what I have to say. He has been here most of the day, in spite of the criticism he has put up with.

Senator Darragh O'Brien: The Senator should get the compliments in quickly, before the Minister leaves.

Senator Martin Conway: He hit the ground running on this issue. He has taken the bull by the horns and engaged with, changed and improved this proposal. Even in my days on Clare County Council I believed water should be paid for.

Senator Terry Leyden: Those days are gone.

Senator Martin Conway: Senator Leyden is always smart but he is not funny.

Senator Terry Leyden: Thank you.

An Cathaoirleach: Senator Conway without interruption.

Senator Martin Conway: It is about time I had the protection of the Chair. Since my days on Clare County Council I have believed that water should be paid for. It is a resource which many people in the Third World would love to have in abundance but unfortunately do not. In this country we have water in abundance but unfortunately it is not purified. It costs a significant amount of money to purify water. Purifying water costs the country an average of €1.2 billion every year, of which €600 million is wasted. To eliminate waste and create a respect for water, with which most of our citizens would agree, introducing a charge is appropriate.

We need to focus on the conservation of water. Most of us here have gone canvassing over the years and have spent many days, months and years knocking on doors. If one goes to the back door of the majority of houses one will see taps dripping. This is a clear example of where water conservation does not work. Apart from embracing water charges we need to engage in a serious educational programme of water conservation and advise people on how they can conserve water. By conserving water we will drive down the cost for everybody. We know that €600 million of the €1.2 billion spent purifying water is wasted but there is probably much more. To prevent the vast majority of this water being leaked we need to create an investment programme. The idea of having a domestic water charge, criticised and all as it is, is to facilitate Irish Water to raise money on the bond markets so it can engage in a substantial investment programme to re-equip areas which have pipes which date back decades. In each area where the pipes are upgraded we will see a dramatic reduction in water leakage.

The meter programme is appropriate and should happen. While the flat charge will prevail until 2019, and probably beyond, the metering infrastructure should be used to build intelligence and find out the location of the leaks. It is totally unfair if house No. 27 pays for water, conserves water and is in control of water while No. 28 is the exact opposite. The only way this can be identified, improved upon and acted on is if we have intelligence from the meters. The meter installation problem should continue until every house in the country is metered and we are in a position to gather intelligence and act on it. I have no doubt that pockets of the country have significant leaks, and if this is the case investment will have to be made. People in areas which do not have leaks should embrace the conservation project.

This project is in its infancy. By 2025 we will have a completely different environment with regard to water. The water will be fit to drink, blackspots in the country will have been dealt with and rectified and people will appreciate why they should pay for water and will do so. I hope that in 15 years time our water quality will be on a par with best international practice. This is what all of us who believe in the principle of paying for water want to see. We want to see a natural resource which is fit for consumption. We do not want to see examples such as Roscommon.

I wish the Minister and the Minister of State well with the Bill and with the help of God it will pass and we will see a fairer discourse and narrative on paying for water.

Senator Terry Leyden: I welcome the Minister of State, Deputy Coffey, to the House.

The Bill is a complete disaster for the Government. Like all other Senators I have received an enormous amount of e-mails. The e-mail systems are practically blocked up as a result. There is a consistent message from people that enough is enough and they have reached saturation point as far as taxation is concerned. This is the fundamental issue in this particular regard.

Water and its infrastructure have been paid for by taxation over the years. People on farms have been paying for water for a number of years. We pay Veolia, which is a multinational company given the responsibility by Roscommon County Council of collecting the water rates, but 20,000 households in Roscommon are not able to drink water as a result of bad management and pollution which has not yet been resolved. During the by-election, commitments were given that no charges would be put on people who had boil water notices but it was then decided they would have to pay for the discharge of water even though the water in the first instance was not drinkable.

One must bear in mind the introduction of the household charge, which has been reluctantly accepted by the Irish people. It is collected by the Revenue Commissioners. It is obvious this charge should have incorporated water. A specific percentage of the household charge should have been earmarked for water. Irish Water is a quango, even though when it came into office the Government promised to abolish quangos and reduce the number of State companies. Irish Water is one of the largest State companies to be established. Unfortunately there has been political involvement through appointees from political parties and retired county managers. Anyone who could be appointed was appointed on a political basis, such as membership of the Fine Gael Party. I believe the ratio is two Fine Gael members to one Labour Party member with regard to judges, peace commissioners and prison inspectors. It is the old system and the Government has not changed it. It continues to develop.

Senator John Gilroy: Fianna Fáil did not do that.

Senator Terry Leyden: An office was established in Castlebar to provide ten jobs for Castlebar which, like all west of Ireland towns, is going through a very difficult time. This was done just to show the Taoiseach could deliver jobs to County Mayo.

Senator John Gilroy: Does Senator Leyden want to comment on decentralisation?

Senator Terry Leyden: It is time for the Government to scrap the company and return to the system we had and improve it by investing in it. It is politically disastrous. We have seen the number of people on the streets. Fine Gael and Labour Party Deputies, Senators and councillors saw the results of the local elections in which they were practically wiped out in most counties. People absolutely rejected Fine Gael and Labour Party councillors. They are going through a very rough time. The Minister, Deputy Kelly, who is a member of the Labour Party, wanted this job.

Senator John Gilroy: Yes, he did.

Senator Terry Leyden: Talk about a poisoned chalice.

Senator John Gilroy: Correct.

Senator Terry Leyden: He wanted to carry the cross to Calvary for the Government.

Senator John Gilroy: He is to be commended for it.

Senator Terry Leyden: He volunteered for the cross.

Senator John Gilroy: He was very brave.

Senator Terry Leyden: He got the cross and he will carry it.

Senator John Gilroy: He has made a great job of it.

Senator Terry Leyden: He will carry those in the Labour Party with him to Calvary where they will be executed.

Senator John Gilroy: We will rise again.

Senator Terry Leyden: Fine Gael, like Pontius Pilate, washed its hands of the entire situation and is stating it has nothing to do with the execution.

Senator Cáit Keane: What does the Senator think I am doing sitting down here?

Senator Terry Leyden: They are charmed.

Senator Cáit Keane: Does he think I am sitting down here for fun?

Senator Terry Leyden: Senator Keane would not be sitting here if the people in her constituency voted for her in the by-election. That is for sure. Do not let me turn on her. I wish her well because she is on the same panel as me so I have a vested interest in her situation.

Senator Cáit Keane: The Senator is so nice.

Senator Terry Leyden: I was hoping she would be elected to get her off the panel because she had received a lot of votes.

Senator Cáit Keane: I thank the Senator so much.

Senator Terry Leyden: However, that is unlikely to happen.

Senator John Gilroy: Is the Senator betraying Fianna Fáil?

Senator Terry Leyden: I refer to the need to invest €530 million in metering. What is ironic is that one is supposed to read the meters.

Acting Chairman (Senator Michael Comiskey): One minute remains to the Senator.

Senator Terry Leyden: It would take one minute to read a meter. One has to get down on one's knees with a screwdriver and sticks one's head down a hole in the ground into which one cannot see to find out how much one is using. To my mind, the place to have the meter is in the front hall, with a little electronic screen indicating one has used X quantity of water. Instead, the meters have been put in holes in the ground and the caps are being broken by cars and lorries. It has been an unmitigated and complete disaster and now a forum is being set up to consider the issue. I will tell the House who the forum will include - Fine Gael and Labour Party members, at a proportion of two to one, with more jobs for ex-councillors and ex-Deputies. Perhaps the Government parties might need them after the general election when perhaps the Minister of State, Deputy Paudie Coffey, might be there. I believe one of his constituents was appointed to Irish Water also.

Acting Chairman (Senator Michael Comiskey): The Senator's time is up.

Senator Terry Leyden: Fair dues to the Minister of State who looked after him very well. I congratulate him.

Deputy Paudie Coffey: The Senator looked after a few himself in his day.

Acting Chairman (Senator Michael Comiskey): Senator Terry Leyden's time is up.

Senator Terry Leyden: I am sorry, but in the circumstances, I really deserve more time because I have a lot more to say. Incidentally, I am involved in a little dispute with Veolia which is trying to charge me for water for an office that has no water supply.

I can tell the Minister of State that when running a business, one must pay for water and it is very expensive. However, Fianna Fáil will be voting against the Bill. It is standing by the people, with the people and for the people. Moreover, we will be supported by them in the next general election.

Senator Kathryn Reilly: I welcome the Minister of State. The water charade since last year, when the first item of legislation was rammed through, was enough to spur anyone onto the streets not just once but repeatedly. The anger of the people about water charges and this regime was evident on the streets in recent weeks when there were more than 150,000 people on the streets on a single weekend. Moreover, every week since, tens of thousands of people nationwide have been out protesting against water charges. To put it clearly, after the announcement of the changes to the scheme and after the publication of the Bill under discussion that was meant to provide assurances, tens of thousands of people descended on Leinster House last week and essentially brought the city to a standstill. Their message was clear: no tinkering at the edges would suffice, as the people simply did not want water charges.

The Minister and the Government must, however, realise it is not just about water charges; some of this has been discussed by many Members in the course of the debate. The anger is the culmination of people's feelings about numerous charges applied in recent years that have both deprived them of spending power and thrust them into severe poverty. Aside from other considerations, one of the biggest problems in introducing water charges in Ireland is that far too many people have inadequate incomes relative to the cost of meeting their basic needs. Social justice concerns are central to any sustainable water model, particularly given the salience of water charges compared with other taxes and charges. As many Senators have stated in the debate, many people simply do not have the money to pay these charges. While €3 a week may be a pittance to the Minister for Health, Deputy Leo Varadkar, and others, many families simply do not have it. One must remember that in Ireland deprivation rates rose from 11.8% in 2007 to 26.9% in 2012, while recent European Commission data show that Ireland has much higher levels than most other comparable European Union countries. Material deprivation in Ireland is 58% higher than the EU-15 average. One quarter of Ireland's population experiences material deprivation, while one person in ten lives experiences severe material deprivation. Many are going without essential goods. As I stated, the real problem essentially is income inadequacy, as too many have low incomes when compared with the high cost of living here. The answer from the Government should not be water charges but rather scrapping the system, which would reduce the cost of living and therefore, free up disposable income.

The mismanagement in respect of the payment of salaries and bonuses and the incompetence in planning, communications and budgeting essentially are symptomatic of a systems

failure, a failure of government and governance. What was the initial purpose of introducing water charges? Was it financial, to encourage conservation or the upgrading of essential infrastructure? While few would deny the importance of infrastructure and conservation in tackling the high levels of water being lost through leaks, what has transpired, namely, mismanagement, cronyism and the overarching threat of privatisation, has meant that Irish Water does not the enjoy the confidence to fulfil its task in terms of conservation. I acknowledge that a plan is needed to meet our water needs, but I do not believe the current plan is it. The Bill is not it either, nor were its predecessors.

When it comes to the prospect of water privatisation, people are not buying the promises and assurances being spun by the Government. Promises about protecting water and other assets are made, but one must remember that Governments change and politicians move on. Many Members have spoken about the holding of a plebiscite and the point was made that Governments could change and legislation could easily be put through to take out the relevant section. Consequently, I have no confidence in that promise whatsoever. That said, as my colleagues have mentioned, Sinn Féin believes water charges should be scrapped. However, scrapping them should not have the unintended consequence of restoring a system that allowed leakages and waste by some property owners and landlords which ultimately have to be paid for by the rest of society. There should be water conservation; there should be repairs and essential upgrades of the system; perhaps the only good thing to emerge from the water services fiasco is that, at least, public discourse and attention have been drawn to water waste and deficiencies. This essentially is where government, at both local and national level, should focus its efforts.

Acting Chairman (Senator Michael Comiskey): I call Senator Ned O’Sullivan

Senator Ned O’Sullivan: I would prefer to wait until tomorrow.

Senator Marc MacSharry: I welcome the Minister of State, Deputy Paudie Coffey, and thank the Acting Chairman for giving me the opportunity to say a few words.

Obviously, like everyone else on this side of the House or certainly all of my Fianna Fáil colleagues, I will be opposing the Bill. I appreciate that the Minister, Deputy Alan Kelly, is somewhat new to the role and that it is clear that there has been an element of listening, given the adjustments the Government has made to move from its original plan to the current position. However, as the saying goes, if it was me, I would not start from here. Throughout the country the quality of infrastructure is variable. Obviously, some of the infrastructure in Dublin is more than 100 years old and not fit for purpose. In Senator Terry Leyden’s county of Roscommon there are boil water notices and this issue sneaks into south County Sligo which is supplied from Lough Gara and where people also are unable to drink the water. There are other scenarios such as that in Sligo town which has a state-of-the-art system known as the Foxes Den that pumps water from Lough Gill and services the greater urban area of Sligo and on which there has been a lot of expenditure during the years. The quality nationwide is so diverse that this is the priority and what needs to be dealt with. It was necessary to assess what needed to be done, cost it and then set about doing it. Moreover, this should have been done through the system of local authorities which were doing the job well. As I have stated previously, in Sligo the go-to lady in dealing with any problem connected with water was Ms Kathleen McTiernan. While she was a tough woman, she did her work exceptionally well. There was a Kathleen McTiernan in every county and just as the National Roads Authority does its work and delivers through local authorities nationwide, that is how one should go about upgrading infrastructure throughout the country to the same standard as that in places such as Sligo town where a lot of work has

been done. The question then arises as to how it would be paid for. I believe up to €10 billion is the Government's own figure. As I do not disagree with it, we must be innovative in how it is done. The Government might consider a bond issue or using aspects of the National Pensions Reserve Fund to raise further moneys, perhaps through the European Investment Bank. Obviously, that would create employment and bring the system up to standard, which is the priority.

I believe I have used this analogy previously, but the Government has set up McAlpine to build a house. To put it another way, it is like setting up Kerrygold when all one needs is a milking machine. This is a huge structure that lacks local knowledge and is detached from the people who were doing the work well on the ground, namely, as in the case of Sligo, the Kathleen McTiernans in every local authority area who knew exactly where all of the bodies were buried and knew precisely what had to be done and how to do it. When such persons were given the right resources, they got the system up to standard. This could have been done instead of putting this structure in place. This time two years ago the same water service was being delivered throughout the country. Nothing has happened in between except that we have spent about €770 million on salaries, consultants, meters and so on. That is unacceptable; it is ridiculous. I have had the opportunity to speak on Irish Water before and I will not delay the House, as I know others want to get in. The reality is that we should revert to a local authority system. We should abolish Irish Water and we should set about bringing the water quality and infrastructure up to the standard to which people are entitled and there are other ways of funding that.

Senator John Crown: After a lot of soul searching I will be opposing the Bill tonight. I have consistently opposed the concept behind the Bill since my earliest days in this House.

I am not naive and I know that water costs. I know that everything we do occurs in an economic context. I also know there is an opportunity cost for every euro we spend in the public sector where it is not available somewhere else. Clearly the priority from the outset should have been to fix the infrastructure. The second priority only then would have been to develop some degree of metering and-or billing capacity. Instead we have had exactly the opposite. If the billing procedure and the metering technology that were put in place were free, cheap or generating all the income we needed to fix the infrastructure, one could perhaps think of a justification for it. However, I am seeing estimates of between €430 million and €540 million just to get the billing-metering of the operation up and running.

In addition we have completely lost at this stage the incentive for water conservation. Furthermore we are told that water is not free, which is correct. We have been paying for it already. If we are paying for it from our taxes now, surely from the outset, when this thing was first created, there should have been a complete write-off against our tax for whatever would have been paid because that part of our income tax that is currently going to pay for water would no longer be paying for it. In this regard the complicated weave of tax, social welfare and accounting instruments, which are put in place to satisfy this theoretical goal of this being off the national balance sheet, is such that any external scrutiny of what we are doing with rebates, etc., would find it very hard to maintain that this is completely disentangled from the national balance sheet.

For all those reasons I am very much opposed to it. However, there is also a political reason. The middle ground has been lost on this. I say this with no disrespect to my colleagues. We have many fine conviction politicians in the two Houses, many of whose convictions I do not agree with. Some of them are very far to my left and some of them are to my right. However, the notion that reasoned, thoughtful, non-extreme people could actually be the main objectors

to this has been lost in the noise of the extremism. It is critical that people realise it is a respectable position to oppose this very flawed initiative, send it back and get something suitable in its place. That is why I oppose the Bill.

Senator James Heffernan: I welcome the Minister of State, Deputy Coffey. The establishment of Irish Water has been a mess from the start. The public has not accepted it from the get-go. The issues have all been mentioned here previously. The squandering of millions on consultancy fees and bonuses drove people mad. People were pulling their hair out when they heard the different revelations about Irish Water. During the European Parliament and local elections people gave their answer on Irish Water. Those elections took place when meters were being installed outside people's houses and people gave their answer loudly and clearly to the Government. However, the Government has not listened. It may have listened a little with the changes we have seen implemented, but it needs to listen considerably more.

The opposition to water charges and the protests against them grew organically from the start with people taking control themselves. I would be somewhat sceptical and wary. I question the sincerity of many people who have subsequently jumped on the bandwagon. However, people have not accepted water charges and do not want them for many different reasons. Those in the Right2Water campaign do not believe in paying for it anyway. Other people are sick and tired of debacle after debacle and of broken promises. People's disillusionment is at an all-time high. We meet it every day. People have spoken about how they come across it on social media. We hear it on the streets and in every clinic we hold.

The Minister, Deputy Kelly, was thrown in at the deep end. He was thrown in to clean up a mess that the Department was left in. I am not sure if it was a very wise move on behalf of the Labour Party. I certainly would not have been offering my services to clean up that particular mess, but that is what has happened and he is trying. In fairness the efforts he has put in place to sweeten the medicine are not good enough.

The conservation grant giving €100 to everyone is a joke. Has there been a proper independent analysis of the cost of the grant? The figures I have indicate that the total cost will be €165 million. That is money that will come out of the Department of Social Protection. The idea of setting up Irish Water in the first place was that Irish Water and the water services would not have to compete for Exchequer funding when it came to budgeting for social welfare or investing in schools and hospitals. If the Minister of State visits any accident and emergency unit in the country he will see the problems on the ground owing to lack of investment.

Some of that €165 million will go to people who have a private well and never even asked for that money. It is bananas in the extreme. It was news to me to hear in the Minister's speech - this is a good one - that €100 will be given to people in nursing homes. It is a cynical throw-back to how business was done by previous governments. This is what has people annoyed. They do not see any change from previous administrations in how the Government has been behaving itself.

I have figures on Irish Water that were supplied to me. I do not believe they were addressed in any of the Dáil debates - I certainly could not find evidence of it. Total costs and everything else are based on 100% of people complying and signing up to Irish Water. It will be nothing in the region of that. If 100% of the people suddenly wake up and decide there is no need for these protests and decide to sign up to it, €65 million is all that will be left for Irish Water. The money available to Irish Water to invest in maintenance, upgrades and whatever else needs to

be done will decline very significantly. If for instance half of the people do not sign up and the costs are revised, there is potential for Irish Water to be in the red.

We need a referendum. I do not like the idea of a plebiscite - the idea that we would give the plebs their say. We need a referendum so that it is enshrined in the Constitution that Irish Water will not be privatised. If the figures I have are anything to go by there will be enormous pressure on any Government to seek private investment in Irish Water.

I do not know if the Bill will pass tonight. If it does I certainly will listen intently to the various proposals made tomorrow. As previous speakers have said, perhaps a 90-day period of reflection might not do any harm.

Acting Chairman (Senator Michael Comiskey): Nobody else is offering so I call on the Minister to reply.

Minister for the Environment, Community and Local Government (Deputy Alan Kelly): I apologise as I had to leave for a few minutes. Let me commence by saying that I fully respect this House. I was a Member of this House and I repeat that some of the best debates take place here. During my previous and current roles, I have taken on board issues in this House, listened, reflected and even made changes as a result of issues that have been raised here.

Over the past week and a half in the Dáil over 41 or 42 hours of debate, I took on board amendments and the spirit of amendments in respect of the plebiscite and the dispute resolution issues. We looked at the amendments that were put forward. I thought they were decent and appropriate. We looked at them from the point of view of the Attorney General as regards certain issues and a drafting perspective. I made slight changes but the spirit of the amendments was taken. One can ask Deputy Naughten or Deputy Donnelly about that. We made the changes and to be honest, we will do the same here.

Senator David Norris: You mean you will bring it back to the Dáil? I do not believe it.

Deputy Alan Kelly: The Senator can accept or reject my bona fides.

Senator David Norris: I do not believe it. It is as simple as that. The Minister may think it but I do not believe the Government will let him.

Senator Maurice Cummins: The Senator should allow the Minister to reply.

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

Deputy Alan Kelly: If amendments are put forward that I feel will support and enhance the Bill in either House of Parliament, of course, I will take them. That is the way it is. If I as the representative of the Government feel they are justified and support and improve the Bill, I will take them. However, I will do not so just for the sake of it. I respect the fact that I must bring forward the best legislation possible for the people of Ireland to the best of my ability and the best opinion I can put forward. I will do that here again.

Everyone in this House knows what this legislation is all about. Some comments that were made earlier in the week by a colleague of mine were unnecessary and probably silly to be frank. In respect of lecturing people as regards what will happen if they do not pass this legislation, everyone in here has a mandate and everyone here should be here. Everyone knows exactly what we are discussing and the consequences one way or the other of whatever the result

is. This legislation is about amending the previous legislation. If this legislation is not passed, the previous legislation exists. That is just a simple fact. Regardless of whether this legislation is or is not passed, it will not change the fact that Irish Water will exist and operate.

I will comment briefly on a few issues. I will approach it in a thematic fashion rather than by Senator if this is all right because there are so many speakers. The key issue about which most people have spoken is that of the plebiscite. Let me say straight that I believe in personal conviction and am a person who stands over what I believe. I come from a political philosophy that would not tolerate the privatisation of Irish Water in any shape or time. This is what I believe in absolutely. I know that everyone has accepted my bona fides. I have not yet heard anyone in this House or the other, local authorities or anywhere who said that they believe in the privatisation of Irish Water.

Senator David Norris: Senator Quinn.

Deputy Alan Kelly: He did not, to be fair. He qualified that.

In respect of the legislation we have drafted, what Government in its right mind would potentially pass a resolution, repeal the legislation through both Houses and then tell the people that it is taking away their right to decide on the future of water in this country? I do not believe it is ever going to happen. I would like to see a Government try to do that.

There is another aspect to this. I and this Government must reflect on the law of unintended consequences. I did exactly what I said I would do in this House. I took the motion that was passed here and I brought it to Government. I hope everyone trusts and believes that I did so because we had discussions that I cannot get into. There are genuine questions. I am not deflecting in any way, shape or form. What would we be having a referendum on? Members must remember that through all of this, I must bear in mind all the advice from the Attorney General who is the representative of the Government. I am not legally qualified. Are we having a referendum on water or Irish Water? Are we having a referendum on water services? What are we having a referendum on? This is a genuine and difficult question. Where would we be in respect of the ownership of particular property and property rights? Where would we be in respect of private wells, group schemes, the infrastructure and the land on which that infrastructure exists if it is private property and companies that already produce water on this island, of which there are a multitude?

There is a range of issues such as the inventory of what is protected through this referendum. I cannot guarantee that there will be no unintended consequences from what I accept is a very strongly held view of many people that we need to have such a referendum. I accept the spirit of that view but from a practical point of view, I have just outlined a number of issues. I cannot say or guarantee that there will be no unintended consequences if we were to go down that route. Where would we draw the line? Would we draw the line at this or would we go down the road of ensuring that every other thing goes into the Constitution - CIE, the roads or the bogs? The list could go on. I am not saying that in a flippant manner. I am saying it genuinely. Where would we go?

I have heard discussion in the other House about Europe and how Europe could put pressure on. This has been referenced in this House although not as much. Obviously, I can accept that as an argument. I have COM(2014) 177, a Communication from the Commission on the European Citizens' Initiative "Water and sanitation are a human right! Water is a public good,

not a commodity!”, with me. It says that treaty rules require Europe to remain neutral in respect of national decisions governing the ownership regime for water undertakings. I will not go into the detail of it but it goes through Article 345 of the Treaty on the Functioning of the European Union establishing the principle of neutrality in respect of these issues. I say this genuinely, as somebody who in spirit accepts what people are saying here. My bona fides on this could not be any clearer. I accept the spirit. I would never tolerate the idea of Irish Water, or the water infrastructure of this State, being privatised in any way, shape or form. I want to make it clear on behalf of the Government, in light of what I have just outlined to the House with regard to the headline issues - we will get into it in more in-depth detail tomorrow - that the Government is going as far as it can on this issue, given the consequences if we went to a referendum. I can say hand on heart that that is an absolute fact. It is the truth.

That is the major issue that was raised here across the board. However, I would like to comment on a few other issues that were raised. Throughout this debate, I have to accept the bona fides of the Commission for Energy Regulation, which is an independent body, that it does everything in an appropriate manner and that its figures are justified. It not for me to question the commission in any way, shape or form.

I join many Senators on all sides of the House in acknowledging the contribution of the local authorities. I appreciate that the local authorities, for which I have responsibility in my current portfolio, do some good work across the country. There are some very good people in our local authorities. I accept that many local authorities have co-operated with one another in the provision of water infrastructure. As water and the infrastructure for water do not stop at local authority boundaries, we have to deal with these issues at national level. I emphasise that we need investment at a level we have never before seen or comprehended. We need to put billions of euro into water infrastructure quickly. If we do not do this, frankly, we will go down the same road as Italy, which has just been fined €42 million. If Italy does not deal with some of the issues it is facing, it will face further fines every six months.

We need to look at the way Irish Water has created the savings that have accrued from the development in Ringsend and a number of other things, including tendering, and a number of other capital projects. When we think about the future of this country, we must reflect on the fact that raw sewage is running straight into rivers or the sea in 44 urban areas. I stress that I am talking about raw sewage in places where people are bathing and children are swimming. As a father of young children, I do not think this is acceptable. In fairness to everyone in this House, I think that, regardless of what side of this argument they are on, they will accept that this cannot continue.

Investment at a scale that has never been seen before is needed in the interests of future generations. We also need to ensure that the children of today will have jobs in the coming years. When one speaks to representatives of IDA Ireland about the issues they face when they are touting Ireland as a place to invest in, they mention the need for investment in infrastructure, educational issues such as language skills and transport issues such as the development of the road network. I will call a spade a spade and say that issues with regard to broadband telecommunications across this country, in particular, have to be dealt with. I would be the first to say that.

The other issue is water. I know that if we do not do something about water, it will be the biggest issue into the future. I assure the House that if some of our water supplies get infected or polluted because of a lack of investment, some of the largest employers in this country will

look at Ireland again when they are making decisions on where to locate and on future investment. We would not be able to bring in the investment that we need into the future. That is a fact. We need to ensure that investment is made, because it will need to more than double in the future.

I compliment and thank the Senators, particularly on the Opposition side of the House, who have expressed their agreement with metering, which helps us to find leaks. When we know there are leaks, we can save on investment and diversify our investment. By making sure investment takes place in the areas where it is needed, we will not have to spend all our time chasing the leaks. People should bear in mind that the revenue being raised through this process is being used to ensure Irish Water can borrow on a scale that is necessary to make the investment about which I have spoken.

I wish to acknowledge, in fairness to Senator Quinn and others, that the collection of PPS numbers was an issue. It was raised again during this debate by Senators Mac Conghail and van Turnhout. I commit to this House that the protocol which has been agreed with the Data Protection Commissioner will be laid in the Oireachtas Library for anyone to see. I think that is the right thing to do. At some point in the future, I will ask the Data Protection Commissioner to confirm in its capacity as an independent regulator that Irish Water has completed the big process of dealing with all the PPS numbers. I also commit that I will ask Irish Water to come before an Oireachtas joint committee to confirm that all of this has happened.

Senators Mac Conghail and Keane raised the issue of rainwater harvesting. People who need to be supported in their employment of rainwater harvesting will be supported. The introduction of the water conservation grant will help more people to ensure they can introduce methodologies such as rainwater harvesting. There are many other fantastic water conservation and treatment technologies out there, by the way. Anyone who invests in such methods will be supported. The Government will ensure there are initiatives to support conservation in the coming year. The introduction of the water conservation grant is the first such initiative. I want to make it clear that there is an onus on Irish Water to support such initiatives directly.

It was suggested during the debate that the water charges will be paid to the Exchequer. I want to make it clear that this is absolutely and simply untrue. Water charges from households and businesses form part of the allowed revenues of Irish Water as determined by the Commission for Energy Regulation. They cannot be used for anything other than the provision of water services.

Senator Healy Eames suggested that Siemens offered to undertake a metering programme. While such an offer was widely reported in the media, the Department of the Environment, Community and Local Government never heard anything about it. The Department never received any formal proposal from the company in question. Unless the offer was an act of charity, which I doubt, it must be respected that a process of procurement and open tender would be required under European laws.

Reference was also made to Irish Water's establishment costs. The Commission for Energy Regulation, which is an independent regulator, examined this and determined that €172 million of the expenditure of €180 million was justifiable. Of course there are issues and concerns. The use of terms such as "consultants," "service providers" and "set-up costs" at certain times during the discussion on this issue was not helpful. It is a fact that when the Commission for Energy Regulation looked at this, it passed €172 million of the €180 million that was spent. It

is not the Government or Alan Kelly who is saying this. It is a fact.

Senator David Norris: That is €8 million in waste.

7 o'clock

There were many contributions to the debate and I accept absolutely the bona fides of the contributors. I hope Senators will also accept what I said at the beginning of my contribution about the way I treat this House, no matter how anyone else treats it. These are my initial thoughts on the themes and issues referenced in the debate. I look forward to the debate on Committee Stage tomorrow. I commit to look at all of the amendments tabled overnight and we will deal with them in a considered way tomorrow. I again thank all Senators for their contributions.

Question put:

The Seanad divided: Tá, 31; Níl, 26.	
Tá	Níl
Bacik, Ivana.	Barrett, Sean D.
Brennan, Terry.	Bradford, Paul.
Burke, Colm.	Byrne, Thomas.
Coghlan, Eamonn.	Craughwell, Gerard P.
Coghlan, Paul.	Crown, John.
Comiskey, Michael.	Cullinane, David.
Conway, Martin.	Daly, Mark.
Cummins, Maurice.	Healy Eames, Fidelma.
D'Arcy, Jim.	Heffernan, James.
D'Arcy, Michael.	Leyden, Terry.
Gilroy, John.	MacSharry, Marc.
Hayden, Aideen.	Mooney, Paschal.
Henry, Imelda.	Mullen, Rónán.
Higgins, Lorraine.	Norris, David.
Keane, Cáit.	O'Brien, Darragh.
Kelly, John.	O'Brien, Mary Ann.
Landy, Denis.	O'Donovan, Denis.
Mac Conghail, Fiach.	O'Sullivan, Ned.
Moloney, Marie.	Ó Clochartaigh, Trevor.
Moran, Mary.	Ó Domhnaill, Brian.
Mulcahy, Tony.	Ó Murchú, Labhrás.
Mullins, Michael.	Reilly, Kathryn.
Naughton, Hildegard.	Walsh, Jim.
Noone, Catherine.	White, Mary M.
O'Donnell, Marie-Louise.	Wilson, Diarmuid.
O'Keeffe, Susan.	Zappone, Katherine.
O'Neill, Pat.	
Quinn, Feargal.	

Sheahan, Tom.	
van Turnhout, Jillian.	
Whelan, John.	

Tellers: Tá, Senators Paul Coghlan and Aideen Hayden; Níl, Senators Ned O’Sullivan and Diarmuid Wilson.

Question declared carried.

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

Senator Maurice Cummins: Tomorrow.

An Cathaoirleach: Is that agreed? Agreed.

Committee Stage ordered for Friday, 19 December 2014.

An Cathaoirleach: When is it proposed to sit again?

Senator Maurice Cummins: Tomorrow at 10 a.m.

Adjournment Matters

Local and Community Development Programme Planning

An Cathaoirleach: I welcome the Minister of State.

Senator Mark Daly: I also welcome the Minister of State. My motion concerns the seeking of funding for the women’s network organisation, not only in my county but also throughout the country. It provides vital services to women, often in rural locations, who feel isolated in some instances and are looking for support and information on access to services. The networks do that work excellently, but cannot do so without proper funding. They have been starved of funding for a number of years. As a result, vulnerable women have been left even more vulnerable and isolated. That should not be the case, since the measure of any society is how it looks after its most vulnerable citizens. I hope the Minister of State will have some positive news for these organisations about ensuring that their funding will be of a standard that allows them to deliver services that are vital to many.

Minister of State at the Department of Transport, Tourism and Sport (Deputy Ann Phelan): I thank Senator Daly for raising this important issue. My Department’s local and community development programme, LCDP, is the largest social inclusion intervention of its kind in the State. The current programme officially ended at the end of 2013, having operated

for four years with funding of €281 million over that period. It is being implemented on a transitional basis for 2014, with a budget of €48 million, pending the roll-out of the new social inclusion and community activation programme, SICAP, in April 2015. The SICAP is one of my key priorities and its budget for next year will be decided in the 2015 Estimates process. The programme's target groups are children and families from disadvantaged areas, lone parents, new communities, including refugees and asylum seekers, people living in disadvantaged communities, people with disabilities, the Roma community and the unemployed. As the Senator stated, these people are from disadvantaged areas that, in some cases, are also very rural.

In accordance with the public spending code, legal advice and good practice internationally, and in order to ensure the optimum delivery of services to clients, the programme is subject to a public procurement process, which is currently under way. Stage 1, expressions of interest, has been completed. Stage 2, invitation to tender, got under way on 20 October and involves the successful applicants from stage 1 being invited to apply to one or more local community development committees in local authority areas to deliver the programme. Contracts for SICAP will be determined following the outcome of the procurement process.

The public procurement process is a competitive process that is open to local development companies, other not-for-profit community groups, commercial firms and national organisations that can deliver the services to be tendered for under the new programme. In stage 1, joint applications were encouraged, and organisations of varying sizes - for example, smaller organisations working in consortia with larger ones - were invited to submit joint applications. That said, I understand that some small groups, such as the groups under the remit of the National Collective of Community Based Women's Networks, NCCWN, faced a number of challenges in competing in the stage 1 process. The results of the stage were released on 24 September and I can confirm that none of the NCCWN groups expressed an interest either as lead applicants or as part of a consortium.

The Department is now considering the implications of that for the NCCWN and will liaise with other relevant Departments to find a workable solution. I can confirm that interim LCDP funding, based on a small budgetary reduction in the order of 6.5% on 2014 levels, will be provided to the NCCWN up to the end of March 2015.

Senator Mark Daly: I thank the Minister of State for her comprehensive reply and for engaging with the network on the issue of funding.

Palliative Care Facilities

Senator David Cullinane: I thank the Minister of State for taking this motion. I have tabled four Adjournment matters on this issue since being elected to Seanad Éireann, because it is important not just for the people of Waterford but those of the entire south east.

A palliative care unit needs to be built on the grounds of University Hospital Waterford, formerly Waterford Regional Hospital. The last time I tabled a motion on this issue, the response from the Minister of State, Deputy Kathleen Lynch, was: "Arrangements are being put in place to fund this project in order that all capital costs are covered, including construction cost, design fees, equipping, etc." In reality, the local hospice movement is being asked to fund-raise to make this a reality. Despite all of the announcements that have repeatedly been made by the Department and two Ministers for Health, we are no closer to building the unit. Each time I

raised this matter previously, I praised the former Minister for Health for allocating or earmarking capital funding for this project, but impatience is starting to build in the south east because this is not happening as quickly as it should. I put the Minister on alert that I would keep raising this issue every six months to get an update from him and the Department.

I am sure the Minister of State, Deputy Ann Phelan, is aware that we in the south east fought a hard and long campaign for cancer and radiotherapy services to be provided on the grounds of Waterford Regional Hospital, but it did not happen. The palliative care unit was an area in which there was some Government progress, even if it fell short of what was required. The previous Government promised a full oncology unit, including beds, radiotherapy and palliative care. Although this was seen as a step down, it was a step in the right direction. I look forward to the Minister of State's response, but this matter needs to be progressed. It will benefit patients in the south east, not just those in Waterford. I appeal to the Minister for Health as well as to the Minister of State, who lives in the south east, to help progress this matter and deliver the palliative care unit for the patients who need it.

Deputy Ann Phelan: I thank the Senator for raising what is an important issue, not least for the south east. I am aware of the related matters that he raised. I am taking this matter on behalf of the Minister for Health.

The HSE is progressing with plans to develop a 20-bed specialist palliative care inpatient unit as part of a €20 million redevelopment at University Hospital Waterford. The new unit will act as a focal point for the provision of specialist inpatient beds and community and day care services for patients and their families living in the south east. It is being developed in partnership with Waterford Hospice Movement, which has generously undertaken to fund-raise €6 million to cover the unit's capital cost. This commitment is in line with a number of proposed new hospice units at various stages of development across the country where the voluntary hospice groups provide the capital costs or build the units. The HSE is then required to provide the ongoing revenue funding for the operation of the service.

The new palliative care unit will be located on the first two floors of the five-storey development. The ground floor will accommodate 20 single inpatient rooms and ancillary accommodation. The second floor will be used to provide a day care centre, consultation rooms, treatment rooms, a therapy area and a dining area. The University Hospital Waterford project, including the palliative care unit, is included in the HSE's capital plan for 2014. Enabling works which commenced in October 2013 have recently been completed to the front of the hospital on the proposed unit site. These works included the construction of a new roadway to relocate the access road to the old school of nursing and the RCSI to the eastern end of the campus. The works also involved the relocation of services to the perimeter of the site and the completion of new car parks adjacent to the laboratory. The design team was appointed in the summer of 2014 and it is expected that the planning application for the unit will be lodged in March 2015. Subject to funding approval by the HSE estates office, construction is planned to commence in quarter two in 2016. Construction is expected to be completed in quarter three in 2017 and, following commissioning and equipping, the unit is planned to open in quarter one in 2018.

The palliative care unit at University Hospital Waterford will be staffed by existing resources currently working in palliative care, both in acute and sub-acute services across the south east. Resources will be in place to operate the unit as planned in 2018 and in line with the project plan.

It is the intention of the Government that all dying people will be provided with the type of palliative care service that they need, regardless of their diagnosis, how old they are or whether they die in a hospice, an acute hospital or at home. To achieve this, we will need a combination of generalist and specialist palliative care services to care for people at home, in an acute hospital and a hospice, where required. The specialist palliative care unit in Waterford will, accordingly, play an important part in the palliative care infrastructure of the south east.

Senator David Cullinane: I thank the Minister of State for her response. When I raised this issue on 27 November 2013, the Minister of State, Deputy Kathleen Lynch, responded by saying the enabling works for this development were being progressed, that it was expected the design team would be appointed in early 2014 and that it was anticipated construction would commence in early 2015. The Minister of State has responded today by saying the design team was appointed in the summer of 2014 and that it is expected the planning application for the unit will be lodged in March 2015, with construction work starting in the second quarter of 2016. For whatever reason, we have moved from a date of early 2015 to the second quarter of 2016 and that is where the concern lies. There seems to be slippage, for which I do not know the reason. A clear commitment was given and, apparently, the money is available. Why have we fallen a year behind in the schedule? Why is the local palliative care unit being asked to fund-raise? The people of the south east have been asked to come up with extra revenue, which, again, people see as the State abdicating its responsibility. I welcome the developments taking place. We seem to be moving in the right direction, but it is at a snail's pace. Unfortunately, we are not getting there as quickly as we need to. Even by the Government's own timelines, we are falling behind. I, therefore appeal to the Minister of State to raise the issue of timeframes with the Minister for Health, as well as the fact that we seem to be lagging behind somewhat.

Deputy Ann Phelan: I will raise the issue with the Minister for Health. The palliative care service is being developed in partnership with the Waterford hospice movement, which is the correct partner and which has generously undertaken to raise €6 million to cover the capital cost of the unit which is in line with other palliative care units proposed. This is a very important issue and I understand completely what the Senator has said. I will raise it with the Minister.

Schools Recognition

Senator Martin Conway: I have previously raised the issue of Mol an Oige Steiner national school, Ennistymon, County Clare which has been in existence for a number of years. When it started off, it was granted temporary recognition by the Department of Education and Skills. During the years the number of students has grown and standards in the school, to the best of my knowledge from speaking to parents, teachers and others, are very high. The school has applied and met all of the criteria necessary to be met for permanent recognition, but, for some reason, the Department is not prepared to grant it. There seems to be one hurdle which it does not seem to be able to get over. The bottom line is that there are in excess of 100 young students attending the school, probably a far greater number than the numbers attending many other national schools in the area, yet it does not have the permanent recognition it requires in order to build a new premises and move forward in an environment which is stable, assured, permanent and secure.

At this stage, the school has earned its stripes. It has done what is necessary and met all of the stringent criteria laid down by the Department. I have been advised by the school principal

that in all of the paperwork required every box has been ticked, that every “t” has been crossed and every “i” has been dotted to an exhaustive degree. There comes a point when one has to say fair play needs to prevail. Given its history which is relatively recent but significant and length of service, it appears the school has done all that is required of it. A vote of confidence in what it is doing for the community and its students is necessary from the Government and the Department in order to allow it to move forward in an assured and a secure environment.

I appreciate that the Minister of State is present on behalf of the Minister for Education and Skills. If she cannot confirm that permanent recognition will be granted, I hope she might give me a specific timeline to indicate when it will happen because, as far as Mol an Oige Steiner national school is concerned, it has played its part and now it is up to the Minister to play hers.

Deputy Ann Phelan: I thank the Senator for raising this matter which, as he said, I am taking on behalf of my colleague, the Minister for Education and Skills, Deputy Jan O’Sullivan. It provides me with the opportunity to clarify the current position on the recognition process for Mol an Oige Steiner national school, Ennistymon, County Clare.

As the Senator will be aware, Mol an Oige Steiner national school which implements the Steiner approach to education was initially awarded provisional recognition in 2008, based on written agreement from the school patron, Lifeways (Ireland) Limited, to a number of undertakings. This provisional recognition was extended year by year until October 2012 when a three year extension was granted. A process is in place in which the issue of permanent recognition for the school is being considered. This process is based on the school’s progress in fulfilling the undertakings supplied by the school’s patron to meet permanent recognition criteria in accordance with the requirements of the Education Act 1998 and the rules for national schools. All recognised schools, regardless of their philosophy or ethos, are required to comply with the Education Act 1998 and the rules for national schools. Permanent recognition is contingent on schools demonstrating that they meet these requirements satisfactorily.

Following the formal evaluation conducted by the departmental inspectorate of the work of the school, the school was invited, as part of the process, to supply a school response. This response was received from the school in October. I advise the Senator that the formal evaluation conducted by the departmental inspectorate forms only part of the recognition process. The undertakings in respect of other school governance matters must also be verified. The Department has recently received a response from the school authority in relation to the school governance undertakings which is currently being considered in conjunction with the advice received from the inspectorate. The Department expects to be in a position to finalise its consideration shortly.

I wish to thank the Senator again for giving me the opportunity to outline the current position in regard to the recognition process for Mol an Óige Steiner national school, County Clare.

Senator Martin Conway: I thank the Minister of State for her response on behalf of the Minister for Education and Skills. I will bring her response to the attention of the principal, teachers and the board of management of the school.

The Seanad adjourned at 7.45 p.m. until 10 a.m. on Friday, 19 December 2014.