



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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

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SEANAD ÉIREANN

Dé Céadaoin, 7 Nollaig 2016

Wednesday, 7 December 2016

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Machnamh agus Paidir.
Reflection and Prayer.

Business of Seanad

An Cathaoirleach: I have received notice from Senator Kieran O'Donnell that, on the motion for the Commencement of the House today, he proposes to raise the following matter:

The need for the Minister for Health to provide an update on the emergency department's winter plans and the provision of additional acute beds at University Hospital Limerick.

I have also received notice from Senator Colm Burke of the following matter:

The need for the Minister for Health to confirm that the recommendations set out in the report on the investigation into the safety, quality and standards of services provided by the Health Service Executive for patients in the Midland Regional Hospital, Portlaoise, have been implemented and, in particular, in respect of the appointment of a director of midwifery in each of the 19 maternity hospitals throughout the country.

I have also received notice from Senator Paul Gavan of the following matter:

The need for the Minister for Public Expenditure and Reform to update the Seanad on the status of the report from the Office of Government Procurement on the use of social clauses in public contracts, with particular reference to the issuing of guidelines to local authorities in that regard.

I have also received notice from Senator Robbie Gallagher of the following matter:

The need for the Minister for Transport, Tourism and Sport to provide an update on the proposed funding to carry out the essential and urgent structural repairs required to the Tyrconnell bridge at Tyrconnell Street in Donegal town.

I have also received notice from Senator Tim Lombard of the following matter:

The need for the Minister for Transport, Tourism and Sport to make funding available for the completion of the Bandon bypass.

I have also received notice from Senator Frank Feighan of the following matter:

The need for the Minister for Health to provide an update on plans to secure the relocation of the European Medicines Agency from London to Ireland and to establish if any function of the agency can be relocated to the Carrick-on-Shannon region.

I have also received notice from Senator Brian Ó Domhnaill of the following matter:

The need for the Minister for Transport, Tourism and Sport to consider prioritising the reintroduction of the local improvement scheme in 2017.

I regard the matters raised by the Senators as suitable for discussion. I have selected the matters raised by Senators Kieran O'Donnell, Colm Burke, Paul Gavan and Robbie Gallagher and they will be taken now. Senators Tim Lombard, Frank Feighan and Brian Ó Domhnaill may give notice on another day of the matters that they wish to raise. Senator Robbie Gallagher has withdrawn his Commencement matter which I had selected for discussion as the appropriate Minister is not available.

Commencement Matters

Emergency Departments Services

An Cathaoirleach: I welcome the Minister of State

Senator Kieran O'Donnell: I welcome the Minister of State. The emergency department at University Hospital Limerick is the busiest in the country. By the end of the year approximately 64,000 patients will have presented in the department. Since 2014, the number of people presenting has gone from approximately 55,000 to the expected approximately 64,000 this calendar year. One can compare this with Cork University Hospital, which has seen slightly fewer people presenting this current year, with the figure of approximately 60,000. Cork University Hospital has 800 beds, which is double the number of beds in University Hospital Limerick, which has 400.

Reconfiguration occurred in 2009, with the full-time emergency departments at Ennis, Nenagh and St. John's Hospital closing, meaning 18 beds were eliminated, as they had six beds apiece. All patients were then put into University Hospital Limerick, which had only another 17 bays in the emergency department. There was a loss of 50 beds at Ennis, Nenagh and St. John's Hospital as well. There is an urgent need for 96 acute beds to be provided at University Hospital Limerick as a result. This proposal has been submitted and it is in the Health Service Executive, HSE, national capital plan. I am asking for it to be fast-tracked and that the Minister for Health, Deputy Simon Harris, allow seed money to be provided for the HSE national estates to allow design work to get under way to build facilities for these 96 urgently needed acute beds.

We have a new state-of-the-art emergency department which will be opened in May 2017, but that is only one piece of the jigsaw. The other piece is the building of the facilities for the 96 acute beds that are urgently required. They can be fast-tracked, even structurally, on the basis that we currently have a dialysis unit that has been operational since last Monday. It is in a

single-storey building and beside it there is a critical care block, which is a four-storey building with the new emergency department on the ground floor and critical care units above it. We can build the facilities for the 96 emergency beds above the dialysis unit, making it a four-storey building, with 24 beds per floor.

I ask the Minister to facilitate two actions. The first is that seed money could be provided to University Hospital Limerick and the HSE national estates to allow design work to get under way for the 96 acute beds that are urgently required. When the capital review occurs in 2017, I ask that this project to provide the 96 beds be funded. More immediately, I would like an update on the winter plans in place to cater for the emergency departments. Many people in Limerick have contacted me as the scenes in the emergency department are chaotic. The Minister has seen this and the department in Limerick is continuously under pressure. It is not fit for purpose, but until the new department opens in May 2017, we need emergency measures to be put in place to ensure we can deal with the deviation.

The second action relates to progressing the facilities at which the 96 acute beds will be provided. That is a two-stage process. The first is to give the seed money to allow the design work to get under way. The second is for it to be funded and included in the mid-term capital review plan for 2017. The project will cost €25 million. The emergency department at University Hospital Limerick has more patients going through it than any other hospital in the country but it only has 400 beds. The hospital in Cork - literally down the road from University Hospital Limerick - has slightly fewer admissions, approximately 60,000. We have approximately 64,000 and yet the hospital in Cork has double the number of beds, 800. We need equity for University Hospital Limerick.

An Cathaoirleach: The Senator's case is well made

Minister of State at the Department of Health (Deputy Marcella Corcoran Kennedy): I thank Senator Kieran O'Donnell for raising this important and timely question. The Minister for Health, Deputy Simon Harris, has asked me to convey his apologies to the Senator because he cannot be here. He has a prior engagement to which he is committed today. If he could have come back for this, he would have done so.

I welcome the opportunity to address the House on this matter. The emergency department at University Hospital Limerick is one of the busiest in the country with over 60,000 attendances annually.

Senator Kieran O'Donnell: It is the busiest.

Deputy Marcella Corcoran Kennedy: The numbers presenting continue to increase year on year, with figures for October showing an increase in emergency department attendance of 6.1% in comparison with the same period last year. This amounts to 3,063 more patients.

The Deputy will be aware that a new emergency department is being fitted out at University Hospital Limerick and will open next year. The new facility will triple the size of the current emergency department and will improve the experiences for those attending immeasurably, particularly in terms of comfort, privacy and dignity.

On 9 September, the HSE published the winter initiative plan 2016-17. The plan provides €40 million of additional funding for winter preparedness and to help to alleviate the pressures on our emergency departments during this time. As part of this initiative, University Hospital

Limerick has been identified as one of the nine focus sites experiencing the greatest challenge in terms of emergency department pressures. I know that Senator O'Donnell is well aware of this. Consequently, these sites need specific support measures to enable them to respond more effectively to expected surges in demand for emergency care during the busy winter period.

The winter plan for the University of Limerick hospital group identifies the key actions needed to address the anticipated surge in activity during the winter period. This includes measures around avoiding hospital, improved patient flow, timely access and discharge. Actions will be taken to increase early discharges, address delayed discharges, fast-track triage for patients over 75 years of age and improve access to inpatient MRI capacity. In early November, the operational hours of the medical assessment unit at University Hospital Limerick was extended by three hours per day and is now exclusively allocated to patients presenting to the emergency department. This will facilitate the immediate assessment, diagnosis and treatment of patients presenting with medical conditions such as chest infections, chronic obstructive pulmonary disease, pneumonia, urinary tract infections, fainting episodes, clots in the leg, anaemia or non-acute cardiac problems.

The University of Limerick hospital group is also working to maximise the use of the model 2 hospitals in the region - in other words, the hospitals in Ennis, Nenagh and St. John's Hospital - to free up beds in University Hospital Limerick. The group aims to ensure the safety of patients and staff, as well as to minimise absenteeism and agency costs through staff vaccination for the flu virus.

The winter initiative has allowed for the provision of 50 additional home-care packages per week to ten specific hospital sites, including University Hospital Limerick, which will be receiving an additional six home-care packages per week until the end of February 2017. University Hospital Limerick will also benefit from measures in the winter initiative that are available to all hospitals, including an additional €10 million for home-help and home-care packages, the increased availability of aids and appliances and increases in availability of transition care beds.

An Cathaoirleach: An bhfuil tú sásta? Is the Senator happy?

Senator Kieran O'Donnell: No.

An Cathaoirleach: The Senator may comment briefly. We have gone two minutes over time.

Senator Kieran O'Donnell: I thank the Minister of State for coming back on the winter initiative. No one should have to endure what patients and staff have to endure at the accident and emergency department in Limerick. The Minister for Health, Deputy Simon Harris, has been there. The new accident and emergency department will be on stream in May 2017. I hope that the beds recently closed at St. John's Hospital will be reopened as quickly as possible in order to alleviate pressure.

I will be writing to the Minister for Health and the chief executive of the HSE, Tony O'Brien. I will urge them to fast-track the seed money to allow the design work to be done for the facilities relating to the 96 acute beds, which are critical for the region. We cannot have a situation whereby we have fewer than half of the beds that Cork University Hospital has while having a greater number of accident and emergency admissions. In fact, we have the largest number in the country.

Deputy Marcella Corcoran Kennedy: I will convey the Senator's two points on the seed money and the capital review to the Minister

Maternity Services

Senator Colm Burke: I thank the Minister of State for coming to the House. I fully understand the Minister is not available. I wish to raise the report on maternity services at Portlaoise. The report includes a recommendation that the Institute of Obstetricians and Gynaecologists made in its report on the future of maternity and gynaecological services in Ireland. The institute recommended, in December 2006, that clinical maternity networks should be established in Ireland. It also recommended that the maternity department at Portlaoise hospital be linked with the Coombe Women and Infants University Hospital in Dublin. This recommendation to establish clinical maternity networks was not progressed at national level. Some eight years later, in 2014, and in light of the range of adverse incidents highlighted earlier in the report, the report of the chief medical officer repeated the recommendation.

My concern this morning relates to the Portlaoise report. The report recommends that each of 19 maternity units throughout the country should have a director of midwifery. My understanding is that eight of the 19 units still have not appointed such a director. Part of the problem, as I understand it, is that the criteria for those who qualify for the job have been set so high that we cannot attract suitable candidates, especially in respect of the smaller units.

I raised this matter at the Oireachtas Joint Committee on Health four or five weeks ago. Some alterations have been made in the criteria. I still do not believe that we will be able to fill the eight vacant positions, despite the new criteria. We seem to be going on the line that a candidate must be at clinical nurse manager 3 level for a number of years before she can go forward for this job. There are staff who have maternity experience but who may have been working in a managerial capacity in other areas within hospitals and dealing with patients on a daily basis. These people are now excluded from applying for the jobs to which I refer. I am suggesting we must be practical, especially regarding the criteria we set out for the smaller units. A recommendation was made in 2006. I want to avoid a repeat of the situation where action had still not been taken eight years after that recommendation was made. We found ourselves in an unmerciful mess in the context of trying to sort out a major difficulty with a hospital. I do not want another report to be put on a shelf or to have to come back to the Minister 12 months from now only to find out that the positions are still vacant. That is the context in which I am raising this issue.

Deputy Marcella Corcoran Kennedy: I thank the Senator for giving me the opportunity to address the vital issue of the implementation of the report by the Health Information and Quality Authority, HIQA, into the services being provided at the Midland Regional Hospital, Portlaoise. As the Senator will be aware, on Monday, HIQA published a review of the progress that has been made at the hospital in implementing the various recommendations made following its investigation in 2015. This report was conducted following a request from the Department of Health. The Department has been overseeing the implementation of the recommendations in the original report to examine the progress that has been made at Midland Regional Hospital, Portlaoise. I very much welcome this report, which has found that additional funding and staff have been provided for the hospital and that significant progress has been made in respect of governance, patient safety and quality.

I acknowledge the reason we have travelled this far. It is thanks to the bravery of the families who spoke out in the midst of their grief. I have met and spoken to some of these people. In particular, I commend the maternity services. The report has described the services as providing care in a much safer and sustainable manner. Portlaoise maternity services are reporting monthly maternity patient safety statements and are participating in national data collections, including the Irish maternity indicator system. This has led to a confirmation by HIQA that the hospital's maternity services are performing in line with nationally reported rates.

The extent of progress in patient safety measures demonstrates the commitment of the staff and the leadership team at Portlaoise hospital and the team at hospital group level. Both the Department of Health and the HSE are committed to securing and developing the role of Portlaoise hospital within the Dublin Midlands Hospital Group.

The HIQA report also identified immediate issues to be addressed in general hospital services. The HSE has been asked to address these immediate issues as a priority, and to ensure that the hospital is appropriately supported in that role by the other hospitals in the group to serve the patients of the midlands. Hospital funding has increased by 15% since 2012 and staffing levels have increased by 18%. Additional funding is also to be provided to facilitate the opening of the new medical assessment unit in the hospital in 2017.

The hospital group has produced a draft action plan for the hospital which takes account of the need to develop services in the context of developing the model of service provision for the entire group. The HSE has submitted the draft plan to the Department where it will be reviewed in detail.

With regard to the question the Senator asked concerning the appointment of directors of midwifery, five such positions were in place at the time the recommendation was made and, to date, seven additional candidates have been selected. A series of recruitment competitions are continuing to appoint people to the remaining seven positions to ensure all our maternity hospitals have senior midwifery decision makers.

I am happy to share the Senator's concerns about qualification standards with the Minister.

Senator Colm Burke: I thank the Minister of State for her reply. She said there are seven vacancies. The health committee was informed that there were only three or four vacancies. There should be clarity and transparency about this. The hospitals that have not filled these vacancies should be clearly identified along with the timescale for filling them. When will the recommendations be fully accepted? I do not want a scenario where we are trying to fill these positions eight years later with some only being filled on a temporary basis in order that the same problem that arose in Portlaoise does not arise again.

The report highlights the variation in the delivery rate in Portlaoise hospital between 2007 and 2013 but it did not refer to the rate between 2000 and 2007 when it increased by more than 100%. The number of deliveries increased from more than 1,000 to more than 2,000. No HSE manager was held responsible for the failure to appoint additional staff. No one is being held accountable now for the failure to fill these vacancies. There should be clear accountability and a clear timescale to fill them.

Deputy Marcella Corcoran Kennedy: The information I have provided has been gleaned from the HSE and I will get clarification on the outstanding vacant positions for the Senator.

Public Procurement Contracts Social Clauses

Senator Paul Gavan: I welcome the Minister of State. Public procurement accounts for 18% of gross domestic product in Europe, and the State spends €8.5 billion every year on goods and services. There is a growing interest in finding ways for this expenditure to be used to deliver wider social, environmental and economic benefits.

In March 2014, the then Minister for Public Expenditure and Reform, Deputy Brendan Howlin, stated:

The use of social clauses in public procurement is limited to instances where they are targeted at factoring into the procurement process consideration of social issues such as employment opportunities, equal opportunities and social inclusion. In order to be compatible with EU law, they must be made known to all interested parties and must not restrict participation by contractors from other member states.

He then went on to confirm that a pilot project had been initiated under the devolved schools building programme.

Social clauses are provided for in European directives, regulation and case law. They can ensure local hiring clauses and apprenticeship clauses are stitched into public procurement contracts. The clauses originated in national law across a number of European states. They fell foul of European competition law, but then a special directive was passed to allow for them with appropriate caveats attached. The reason these social clauses are so important is that without them there is an increasing tendency for contractors to bring their own mobile workforce with them, which means that when public contracts are issued, there is no local dividend in terms of jobs and training for the local community. The contracts operate very successfully in many EU states. I refer to the social clauses in operation in the North, which were introduced by my party. For every €1 million of contract value, the successful bidder has to hire a local unemployed qualified person and a local apprentice. This is working well and the Peace Bridge in Derry is one example of a major project that produced a very good local dividend in employment and training.

Unfortunately, local authorities in Ireland are telling councillors that they cannot include social clauses in procurement contracts as they are awaiting the issuing of guidelines from the Office of Government Procurement, OGP, with regard to the operation of social clauses. A year ago, I understand former Labour Deputy, Derek Nolan, asked the OGP about this topic and was told that it was finalising guidelines and that local authorities could expect to see them the following spring. The difficulty is a number of local authorities are still telling us that they have not received the guidelines. There are hard pressed communities up and down the country, which are major unemployment blackspots. Implementation of these clauses could make a major contribution to providing work and opportunities for training. We should not have to wait this long. I hope the Minister of State can confirm that these guidelines have issued, or a date on which they will.

Minister of State at the Department of Public Expenditure and Reform (Deputy Eoghan Murphy): Public procurement is governed by the EU treaty, EU directives, regulations and national guidelines. They set down rules whereby contracting authorities must award contracts under procedures designed to achieve value for public money in an open, transparent and non-discriminatory competitive process. The rules recognise that public procurement can

be used to promote wider economic, social and environmental issues and further legal clarity in respect of the use of social clauses has been provided in the new EU directives on public procurement, which were transposed into Irish law last May. The general position is that social criteria can be included at various stages of the procurement process from business case, through to specification, selection and award stages through to the contract performance stage provided that they are linked to the subject matter of the contract and are contract specific. In respect to the latter, it is important that contracting authorities have in place procedures to effectively monitor compliance with the conditions of the social clause.

For example, social clauses have been successfully piloted in the devolved schools building programme where a clause was included in the public works contracts which required that 10% of the aggregate time worked on site to have been undertaken by individuals who have been registered on a national unemployment register within the European Union for a continuous period of at least 12 months immediately prior to their employment on the project, and 2.5% of the aggregate time worked on site to have been undertaken by individuals who are employed under a registered scheme of apprenticeship or other similar national, accredited training or educational work placement arrangement. The Department of Social Protection, through its Intreo offices, has provided support to the contracting authority in monitoring compliance with the conditions of these social clauses and also to contractors in meeting their obligations under the contract by providing suitable candidates to match the skills requirements from long-term unemployed construction workers. Approximately 48 long-term unemployed persons have been hired across the 15 sites in question out of a total workforce of approximately 440. The appropriateness of social clauses in procurement projects will vary from contract to contract.

Experience in other jurisdictions suggest they are most successfully employed in large scale works contracts as opposed to contracts for goods and services. There are also other important considerations. Account needs to be taken to ensure that value for money is not adversely affected, additional costs are not placed on domestic suppliers relative to other potential suppliers, contracts are of a minimum scale to absorb the increased administrative requirements, and the targeted benefit is capable of being measured and monitored during the execution of the contract. Where recruitment and training clauses are used the contracting authority needs to have a good understanding of supply side issues such as for example in the area of training supports. It is important that contracting authorities are not compelled to use social clauses on every contract, particularly where their deployment may disproportionately impact on SMEs bidding for public contracts. Notwithstanding these concerns, the Government sees merit in developing a social clauses framework.

The Office of Government Procurement is developing practical guidance aimed at providing assistance to contracting authorities in the use of social clauses across the public sector. These will reflect the new EU procurement directives. In the interim period, there is no impediment preventing contracting authorities in the local authority area from inserting social clauses in their contracts. There is sufficient information available from their use in the pilot projects already referred to and other PPP projects to allow local authorities to devise suitable clauses for inclusion in works and capital projects if they so wish.

Overall, it is important that social clauses be implemented in a targeted manner as opposed to any blanket or across-the-board approach, which may cause more difficulties than it solves.

Senator Paul Gavan: I thank the Minister of State for his reply. It is helpful, in that he states there is sufficient information available for local authorities. The problem in practical

terms is that local authorities are using the lack of guidelines as an excuse not to engage. I have concrete examples, Galway County Council being one, as it states it does not have the guidelines and so cannot include the social clause.

The other big problem, which I mentioned in my initial remarks, is that 12 months ago the Office of Government Procurement told us it was preparing guidelines. Is this another example of this Government not being able to do or deliver anything because the Office of Government Procurement is still saying it is working on the guidelines? It does not take 12 months to produce guidelines for social clauses. The Minister of State's example shows that these clauses can have a significant impact on the unemployed and apprenticeships and I can see no excuse for the OGP to be still working on guidelines. Will the Minister of State give a commitment on the date the guidelines will issue?

Deputy Eoghan Murphy: There is nothing standing in the way of a local authority introducing social clauses into its procurement contracts. Local authorities procure a significant amount of goods, services and capital works and have been doing so for decades. They have the resources where they want to or should introduce a social clause based on the information already in the public domain and on what the Office of Government Procurement has put into the public domain and the work it has already done. While it is important that the Office of Government Procurement issue guidelines, and it will shortly, that should not be used as an excuse for local authorities to delay introducing social clauses.

Senator Paul Gavan: I am talking about 12 months ago. Can the Minister of State give me any specific information?

Deputy Eoghan Murphy: I cannot now but centralising the procurement function in government is a relatively new enterprise undertaken by the last Government. It is doing incredible work in finding value for money, making sure we are not just chasing the bottom line when we procure but that we take into account other factors in procurement contracts and in rolling out pilot projects under social clauses. As the Senator is probably aware, the Office of Government Procurement and I are making a public presentation for Senators and Deputies tomorrow to go through and discuss several issues. If we can give a firm commitment on a date tomorrow we will do that then.

Sitting suspended at 11.05 a.m. and resumed at 11.30 a.m.

Order of Business

Senator Jerry Buttimer: The Order of Business is No. 1, Finance Bill 2016 [*Certified Money Bill*] - Committee Stage, to be taken at 12.45 p.m. and adjourned at 3.30 p.m., if not previously concluded; No. 2, statements on climate action and low carbon development, to be taken at 3.30 p.m. and conclude not later than 5 p.m., with the contributions of group spokespersons not to exceed eight minutes each and those of all other Senators not to exceed five minutes each and the Minister to be called on to reply not later than 4.52 p.m.; and No. 3, Private Members' business, Public Bodies Review Agency Bill 2016 - Second Stage, to be taken at 5 p.m., with the time allocated for the debate not to exceed two hours.

Senator Mark Daly: It is not often an issue comes before the Oireachtas that is as clear cut, brutally simple and has life or death implications as the issue of organ donation and the provi-

sion of the drug Orkambi for people who suffer from cystic fibrosis. It is a life saving and life improving drug, but the Government has suspended negotiations on it. We understand that the Minister for Health was supposed to meet his European colleagues and try to secure an overarching approach to this, but he has not managed to get a solution from them.

Senator Frank Feighan: He is on his way to the airport.

Senator Mark Daly: I know, but he does not have a solution.

Senator Frank Feighan: He had to be at the airport at 5 a.m.

Senator Mark Daly: He told us clearly months ago that he was going to write to them.

An Cathaoirleach: The Leader will respond. Will Senator Frank Feighan, please, allow Senator Mark Daly to continue?

Senator Mark Daly: In the meantime, people have been going in and out of hospital or spending months in hospital. There is no urgency on the part of the Government on this issue. Members attended presentations on the matter in the audio visual, AV, room yesterday and last week. The presentation yesterday was by Deputy Billy Kelleher, my party's spokesperson on health. It is particularly moving to hear about people whose families have suffered bereavement or whose children have had to be put into comas rather than suffer through the agonising pain of having their lung function decrease, and then to hear from those whose lives have been transformed and even saved as a result of this wonder drug. The issue is economics as much as anything else.

The organ donor system is a shambles. In 2013 the Seanad was recalled from its summer recess to discuss the organ donor system. We spend €325 million per year on kidney dialysis and on keeping people who are awaiting organ transplant alive. In this country 65 people die each year while waiting for an organ transplant. Then there are the people who are taken off the transplant list because they simply are not well enough to receive a transplant. They die quietly and are not even recorded as a statistic. A total of 650 people are awaiting transplants, be it a lung, heart or kidney, and it costs €325 million. We should have a system in which kidney transplants alone are carried out correctly. Croatia transformed its system ten years ago and it now has a surplus of organs to give to other countries. We do not have that system. The system simply does not work. It is not fit for purpose. A Member of this House, who was the Minister for Health at the time, signed the first legislative measure in the history of the State relating to organ transplantation, and it was signed on the last day required under an EU directive. It was described by organ donation organisations as something that would cost people's lives because it was such a shambles. It did not improve the system but actually made a bad system worse. It did not give power to one authority but to a range of authorities. If we had a functioning organ donor system that worked, the €325 million per year being spent on keeping people alive could be used to purchase the drug Orkambi and there would be a surplus left.

An Cathaoirleach: The Senator's point has been well made.

Senator Mark Daly: This is not about Orkambi as such because there is a bigger issue. People are dying on the waiting list and other people are taking up hospital beds when they would prefer to be at home and contributing to society. This is all because the organ donor system simply does not work.

We will press for an amendment to the Order of Business to have No. 12 on the Order Paper taken.

An Cathaoirleach: Is the Senator proposing an amendment to the Order of Business?

Senator Mark Daly: Yes, that No. 12 be taken today.

An Cathaoirleach: Is it to be taken before No. 1?

Senator Mark Daly: Yes.

Senator Jerry Buttimer: What item is it?

An Cathaoirleach: No. 27, non-Government motion No. 12.

Senator Gerard P. Craughwell: I congratulate the Minister for Social Protection, Deputy Leo Varadkar, for moving swiftly on the issue of pensions in Independent News & Media. That is the type of action one expects from a Government Minister. However, while he is to be congratulated for it, that should not be seen as endorsing him as leader of the Fine Gael Party or the like.

Senator Mark Daly spoke about Orkambi and I am aware that people are travelling from all over the country to protest outside the Dáil today. I will not get into the debate on Orkambi, as it has been well outlined by my colleague. However, recently I visited Spain where I met a former colleague who happens to be on blood pressure tablets. He told me that he had bought his year's supply of those tablets for €14.95. The same tablets cost him €1,100 here.

Ireland is a member of the European Union. Why, in God's name, are we not centrally managing drugs and drug purchases at EU level, rather than individual member states trying to manage it? The type of costs involved with Orkambi are absolutely massive. I accept that drug companies must be able to get a return on their investment, but why must this poor little country suffer every time when it is part of a much larger economic community? If the European Union can manage agriculture and manage fisheries, badly, for this country, with managing all sorts of other things, surely it should be able to manage the drugs industry and ensure there is a standard cost across Europe, instead of there being different costs in different places. People tell me it is cheaper to book a flight to Lanzarote, buy their drugs for the year there and come home with change in their pocket than to pay what they are being charged for them in this country. I am sure that is not all due to the chemists. I commend the people who try to negotiate a reasonable price for drugs in this country, albeit I am deeply saddened that the Orkambi issue has not been resolved as it is having a serious impact on families.

Senator Paul Gavan: Yesterday the Minister for Transport, Tourism and Sport warned that Bus Éireann was facing insolvency within two years unless "difficult decisions are made." This begs the question as to who will be obliged to make those difficult decisions. The Minister is talking about axing between six and eight of the least profitable routes and we know that Bus Éireann wants to separate the Expressway service from the rest of the firm. We also know who will suffer as a result. It will be the people of rural Ireland, for whom these bus routes are a lifeline. The staff will suffer through further job losses and pay cuts. This is part of a very worrying bigger picture when it comes to public transport. We know Iarnród Éireann faces insolvency unless it receives a much-improved subvention. All three public transport companies have seen the level of State subvention reduced by approximately one third in recent years. To

make matters worse, last year the National Transport Authority unilaterally took €2 million from Dublin Bus because it deemed the company's profits to be excessive. I question the role of the National Transport Authority, which seems to be pushing for outsourcing and privatisation at every opportunity.

At the heart of the issues affecting public transport companies is the inability to plan their budgets, particularly their expenditure more than 12 months into the future. The Minister for Transport, Tourism and Sport must commit to agreeing and implementing a multi-annual plan for the entire public transport system as a matter of extreme urgency. I find it very difficult to believe that nine months into his role as Minister, he is still floundering on the issue of subvention for public transport companies. At yesterday's meeting of the Joint Committee on Jobs, Enterprise and Innovation, we discovered that, nine months into his tenure, the Minister, Deputy Ross, has yet to meet his opposite number in the North, the Minister for Infrastructure, Mr. Chris Hazzard. I just cannot understand it. What is the man doing?

It is time to have an adult conversation about public transport. As my union, SIPTU, has pointed out, we can have a sustainable public transport system that provides a world-class service to the public and decent jobs for employees but this Government does not have the will to make it happen. Once again, it is down to ideology. We know Fine Gael has been the driving force behind the plan to hive off profitable routes from Dublin Bus and that it would rather continue to cut the subvention, outsource services to the private sector and undermine our public services in the process. Fine Gael Members then stand up in the Chamber and bemoan the fate of rural Ireland.

I ask the Leader to invite the Minister for Transport, Tourism and Sport back to the Chamber. Perhaps the Leader could persuade the Minister, when he does return, to spend less time speechifying and a little longer dealing with issues of concern.

Senator Kevin Humphreys: I thank the Leader for the work he did in inviting the appropriate Minister to make a statement on climate action and low-carbon development. I hope and believe this will be a landmark day for the House, as we will see - for the first time - real and positive action on how Ireland can show leadership when it comes to climate change. I ask the Leader to ensure there is adequate time for the Minister to respond to contributions from Senators. When the Minister for Transport, Tourism and Sport, Deputy Shane Ross, came before the House recently, it was unfortunate that he spent too much time talking about rugby and not enough speaking about his policies. I ask the Leader to ensure that there is adequate time for responses to contributions from the Senators. I compliment the Leader and his staff on ensuring this debate is taking place today.

Senator John O'Mahony: I join others in referring to Bus Éireann, particularly in the context of the Expressway service that seems to be under threat. It is important that the Minister comes before the House as a matter of urgency in order to deal with the matter. We can all jump up and down and the blame game has already started. Ultimately, we need solutions and something does not add up. In the past couple of years there has been much investment in a modern fleet for the Expressway service, providing Wi-Fi and toilets and so on. These are really brilliant buses. Bus Éireann has told us that there have been increases in passenger numbers. However, this may only be on certain routes and it, in turn, would increase the pressure in the context of other routes. We can all jump up and down, blame each other and politicise the matter but there is a window of opportunity in terms of doing something about this. Could we tweak the system, perhaps in rural areas? Could services be maintained with smaller buses

rather than 53-seaters? We have all seen half-empty buses. There is also the issue of “use it or lose it”, etc. We do not want to be here on a Wednesday, seeing strikes tomorrow or the next day. There is a window of opportunity to do something about this. We should work in a calm and collaborative fashion. In order to start that process, the Minister should come before us and outline his plans rather than just saying that the company will be insolvent in two years. What can be done in the immediate future to resolve this matter?

Senator Robbie Gallagher: I second the proposal made by my colleague, Senator Mark Daly, in respect of No. 27 on the Order Paper.

An Cathaoirleach: It is No. 27, non-Government motion No. 12.

Senator Jerry Buttimer: It relates to Orkambi.

Senator Robbie Gallagher: Yes. Today is National Missing Persons Day and an event hosted by the Tánaiste and Minister for Justice and Equality, Deputy Frances Fitzgerald, is being held at Farmleigh House with some of the affected families. Every year in this country, 9,000 people go missing but, thankfully, most are reunited with their loved ones. It is estimated that approximately 50 to 80 people remain missing and I can only imagine the heartbreak this causes for families. On radio this morning I heard a young gentleman from County Mayo outline how his sister went missing over 15 or 16 years ago and how his heartbroken mother and father passed away not knowing where their daughter was or what happened to her. He outlined the trauma and heartbreak that family went through. It would bring tears from a stone to hear him talking about that. We can only imagine the pain and trauma felt by that family, along with all the rest of the families where loved ones remain missing. I appeal this morning to anybody who has information that might bring the nightmare to an end for such families to come forward in order that they can finally have closure. There is a national missing persons helpline, of which the Leader is probably aware. It is estimated it takes approximately €35,000 per annum to fund this helpline. Unfortunately, donations are falling, and the State makes a contribution of €5,000 per annum to the helpline. I ask the Leader to ask the relevant Minister if the State could consider increasing its contribution to this very worthwhile cause.

Senator Maria Byrne: I wish to highlight a good news story by welcoming the announcement at the weekend by the US Department of Transportation that it will grant a foreign licence to Norwegian Air, thereby facilitating the development of a route from Shannon and Cork to the east coast of the United States. I also welcome the 30 jobs announced this morning by Acacia Communications in Limerick. The company is from Maynard, Massachusetts, and in the announcement it was indicated that infrastructure and links were very relevant. It is most important for us to consider our airports in terms of job creation. This company is a provider of high-speed coherent optical interconnecting products and the headquarters will be in Limerick. It was most enlightening to hear the chief executive officer welcoming the links and the fact they can get here through Shannon Airport to Limerick, where the company will have its European headquarters. It is very important for us to create many links between different countries and our airports in order to benefit job creation.

Senator Máire Devine: I will briefly mention value for money in the context of medication and drugs. The UK Competition and Markets Authority has fined the pharmaceutical giant Pfizer £84.2 million for the 2,600% overnight price increase in respect of the drug Epanutin, which is used to treat epilepsy. This price increase cost the National Health Service and British taxpayers millions. I do not know if we have a similar watchdog but that is certainly a

gold standard in asking companies to be more responsible. The profits some companies make are absolutely obscene. For many years, constituents of mine who live in social housing have been contacting me due to damp, mould and condensation problems within their dwellings. The reason for these problems are almost always laid squarely at the doors at the tenants. The authorities carried out inspections time after time in various tenancies and always came to the same conclusion: tenants were causing these issues. Residents in my constituency, Dublin South-Central, living in Tyrone Place, Inchicore, took it upon themselves to commission architects to examine the reasons for dampness within their residences. The findings showed that the buildings were unable to provide adequate ventilation, making them very difficult to heat and, therefore, creating damp conditions. The problems were shown to be extensive and very serious. Despite tenants using mould remover and freshly painting walls on a continual basis, it was still happening. Local councils have been laying the responsibility for carrying out condensation repairs on the tenants. The finding of this report totally exonerates the tenants. I ask the Leader to contact the Minister for Housing, Planning, Community and Local Government to ensure that funding can be secured from his Department to carry out repairs and makes these tenants' environment much healthier. I will submit this as a Commencement matter if the Leader cannot provide a sufficient response.

Senator Michelle Mulherin: Christmas is approaching and it is in the spirit of that season that I raise the whole matter of shopping local. There are many local and national initiatives encouraging us to see what is available around us and to buy local. Last Saturday was Small Business Saturday. I was at our local Foxford Christmas craft fair, which has been going on for years. What is notable about it is that it sells all Irish crafts, produce and so on. I believe it is a very good time to look at small shops and businesses to see how we can support them.

I highlight a particular matter that I feel is flying in the face of this, which is An Post's promotion of the AddressPal card. In promoting the card, they are encouraging people to shop on UK websites. They are promoting it by way of a competition in conjunction with TV3's "Exposé". I am a fan of TV3's "Exposé" and I am a fan of An Post, but I question the timing of it. The advertisement encourages people to shop on UK websites, enter a competition and have the chance of winning a sterling currency card from An Post. Five people could win £500 sterling in cards. An Post is a State company. At this time of year, State agencies and all of us should be trying to look at what we can do for our local economy. I believe this flies in the face of that. I understand that An Post is in very difficult financial times. I understand that this initiative is to enable An Post to compete with couriers and try to reclaim some business. If people are shopping on UK websites, they might not have a UK address and therefore cannot shop.

We all like to see our home town and village looking Christmassy. The people who are making sure the lights are put up are the local businesspeople, in conjunction with the councils and local development groups. They are the people who sponsor the local football kit, who sponsor the local festivals and who give part-time jobs to people's sons and daughters. As I said, I know the difficulties of An Post but I do not think its timing is right. I also question TV3's part in it at this time of year. I think it may be slightly unpatriotic. We could all examine and look at what is around us in local shops by checking them out. Of course, we are all free to shop where we want. It is our money. However, perhaps that might give the extra boost that would help local shops and high streets to continue in business.

Senator Aidan Davitt: As part of Poison Awareness Day, I call on detergent companies to ban liquid detergent tablets. Half of the calls to the poison centre, which takes 10,000 calls a year, are about children swallowing liquid detergent tablets. Since 2011 in Ireland alone,

there have been more than 700 children who have had serious problems after swallowing liquid detergent tablets. I call on the Minister for Children and Youth Affairs to immediately engage with these multinationals to put a plan in place to scrap and ban liquid detergent tablets. I would appreciate if the Leader could talk to the relevant Minister. I believe it is an urgent enough matter. It is a simple measure that we could take. Children who evidently do not have the sense to know any different should not be exposed to these risks.

Senator Rose Conway-Walsh: I welcome the hour of coding being run by many schools around the country and in 180 countries worldwide in which children have the opportunity to participate in coding and programming. Of course, one hour is not going to change the world, but it brings to the fore the need for urgent action to integrate programming and coding into the learning lives of young people and, indeed, not so young people. If we are to genuinely and earnestly prepare young people for the reality of the 21st century workplace, coding and programming must become as commonplace as breathing. I ask the Leader to invite the Minister for Education and Skills, Deputy Richard Bruton, into the House again to have a full debate on the integration of technology in our education system. In particular, I would like him to update us on his progress in tackling the ICT deficits affecting primary and secondary school coverage, including replacement of computer hardware, curriculum recognition and broadband connectivity, as well as updating us on the timeline for the full implementation of the computer programme developed by the National Council for Curriculum and Assessment in collaboration with Lero, the Irish software engineering research centre, in 2013. To leave coding and programming as an optional extra is doing an injustice to children. The Minister's background in enterprise makes him acutely aware of the urgency for computer science to be offered to leaving certificate students. We are already decades behind in affording our young people equality of opportunity when it comes to employment in which ICT skills are required. Given the uncertainty and volatility in the national, EU and worldwide economy brought about by the fragility of the banking system, Brexit and moves to address the use of corporation tax as a main element of competitiveness, it is imperative that we truly prepare the workforce of the future for the digital world.

Senator Colm Burke: In any discussion on the cost of drugs we need to look at the overall picture of what they cost in this country. Last year drugs and pharmaceuticals cost us €2.6 billion. That figure has consistently gone up. Despite making agreements with pharmaceutical companies on lowering the cost of drugs, we are still spending more *per capita* than any other country. Senator Mark Daly was going on about no action being taken. I think he must have forgotten that his party was in power for 14 years. On the issue of transplants, there was a recommendation-----

Senator Mark Daly: It is like this. They were here-----

An Cathaoirleach: Senator-----

Senator Colm Burke: There was a recommendation-----

Senator Mark Daly: There was an organ donor recommendation that was signed the last day.

An Cathaoirleach: Will the Senator, please, resume his seat?

Senator Mark Daly: It has been described as costing people's lives.

Senator Colm Burke: There was a recommendation-----

Senator Mark Daly: If the Senator wants to go on about organ donation, he must start with himself.

An Cathaoirleach: I am suspending the sitting for ten minutes.

Sitting suspended at 12 noon and resumed at 12.10 p.m.

Senator Colm Burke: To return to the drugs issue, it is important that we have an honest debate on it. We are paying out €2.6 billion on drugs and pharmaceuticals per annum. In the period from 2000 to 2010, the cost of pharmaceuticals went from €570 million to over €2 billion. It was as though we were writing blank cheques. If we want to have a debate on this issue, let us have an overall debate about why it is costing more per head of population for drugs and pharmaceuticals than in any other European country.

On the organ donation issue, we need to compare Ireland with Norway. There are about 2,000 people on dialysis in this country. There are only about 370 people on dialysis in Norway at any one time. That is because of the policy it implemented in the late 1990s and early 2000s of employing the necessary number of consultants. We can talk about organ donation all day but we have to have the necessary people there to do the work. That is where the fundamental problem arose in the last 15 years. We have not been able to recruit the people. We deliberately missed out. When we had money to do it, we did not recruit them between 2000 and 2010 and that is on what we now need to focus. If we want to bring down the number of people on dialysis, we need the experts to do the work. That is what should be the priority. Let us have a debate on that and on the cost of pharmaceuticals in this country.

Senator Frank Feighan: I share Senator Mark Daly's concern about the Orkambi issue. I saw "Claire Byrne Live" last Monday night and all contributors, including taxpayers, doctors, and people waiting to get Orkambi, were very measured and very concerned. I saw a tweet from the Minister for Health, Deputy Simon Harris, at 5 a.m. While one might ask what he was doing at 5 a.m., the Minister was at the airport on his way to meet his European colleagues in Lisbon to discuss the Orkambi issue. We can try to address it across parties and across borders. However, Vertex, the company that produces Orkambi is holding patients and the Government to ransom. We can try to find a solution.

I share Senator John O'Mahony's concerns about bus services. The situation in the west has been raised with me by a number of people. There is an issue with the bus service from Ballyhaunis through Castlerea to Dublin. We need to bring the Minister into the House to have a debate on the current position in Bus Éireann.

I praise the Garda for arresting four men over the kidnapping of the fastest dog in Ireland, Clares Rocket.

Senator Paul Gavan: A Limerick dog.

Senator Frank Feighan: It is a Limerick dog and one that has won huge prizes and is seemingly worth over €1 million. It shows the complexities of crime in the country when the Garda must arrest four men with guns over the kidnap of a dog. It sounds like something out of a comic strip. I praise the Garda and all concerned in ensuring it was stopped.

Senator Niall Ó Donnghaile: Tá an Cathaoirleach iontach foighneach liom agus tá mé

buíoch dó as mé a ligean isteach le labhairt. Yesterday the Northern Ireland Minister for Finance, Máirtín Ó Muilleoir, and Minister for Infrastructure, Chris Hazzard, travelled to the Houses of the Oireachtas to address the Joint Committee on Jobs, Enterprise and Innovation. I call on the Leader to ask the Minister, Deputy Shane Ross, to come to the Chamber to address us on the issue of cross-Border infrastructure, particularly transportation infrastructure. If anyone needs a lesson on how to commit to being a responsible leader on this issue, they should listen to Chris Hazzard's contribution at the committee yesterday. There is a growing consensus around the need to connect both main cities on the island. It would bring economic, social and cohesive benefits to the country as a whole. In all of these discussions there is the need to consider areas that are underprovided for, in this instance, in terms of transport infrastructure. It is unfortunate that thus far, the Minister, Deputy Shane Ross, has been unable to meet his counterpart in the North for whatever reason. In the absence of that, we should have the Minister in front of us here for a specific discussion. In the past, my colleague, Senator Pádraig Mac Lochlainn, and I have raised the issue of connectivity to the north west and support for the City of Derry Airport. There is growing consensus, with the passing of motions in Dublin City Council and Belfast City Council, on identifying funding from Europe for the adoption of a high-speed rail link connecting both cities. Deputy Gerry Adams and I met a campaign group from Newry yesterday which is concerned about the provision and frequency of rail services through Newry connecting Dublin and Belfast. The Leader will know that as part of the Fresh Start agreement agreed 18 months ago, the Irish Government committed itself to looking at this issue. Within that context, this is a very opportune and, in the light of the Brexit vote, critical time for the Minister to come and discuss how this can be advantageous to the people as a whole.

Senator Michael McDowell: Will the Leader consider asking either the Taoiseach or the Tánaiste, whoever feels so inclined, to come before us and explain how it is that the Minister, Deputy Shane Ross, who has just been mentioned in a different context, is permitted to write articles in newspapers so charged with inaccuracy and misleading content, as he has done this morning in today's edition of *The Irish Times*? He has yet again suggested that somehow, the Judiciary is against reform. That flies in the face of the fact that the current Chief Justice authored the Bill which provided for a judicial council to be established. It also flies in the face of the fact that members of the Judiciary have on many occasions asked for reforms to the Judicial Appointments Advisory Board and that has not been granted to it. It is serious because Deputy Shane Ross is the Minister for Transport, Tourism and Sport. With the buses about to evaporate across Ireland and with train lines being closed down, not to mention some of the sporting debacles in Brazil, it seems the Minister is finding it very difficult to discharge his own functions. It also appears he cannot even make appointments in his own Department to semi-State boards but the one thing he is apparently absolutely concerned with is the making of judicial appointments. The House should know, because eventually some legislation will come before us, that in 2013 he proposed that the committees of the Houses of the Oireachtas should make nominations for people to be judges. He said that would stop cronyism. How ignorant and crass is that as a suggestion?

Senator David Norris: He has only a distant connection with the truth.

Senator Michael McDowell: The other point is that he has on many occasions suggested the appointment of judges is a matter of political cronyism. I held the position of Minister for Justice, Equality and Law Reform from 2002 to 2007 and the late Rory Brady was the Attorney General at the time. I am absolutely satisfied that if one looks at the appointments we made to the superior courts of Ireland, the great majority of them were not supporters of either

of the Government parties. It is about time that the Houses of the Oireachtas showed that a Minister who is not doing his job and who is failing badly to carry out his functions by leaving semi-State boards without appointees because of his own inadequacy and weakness allows the Taoiseach, the Tánaiste and the Attorney General to be the point of contact with the Judiciary. The suggestions made in the disgraceful article in *The Irish Times* today, talking about the Chief Justice being first out of the traps to rubbish the Minister's views, are completely untrue and to call intemperate the remarks of the President of the Circuit Court who appealed recently for vacancies in his court to be filled in order that he could carry out the laws which these Houses had put in place is a cheek on the part of the Minister. I ask that the Taoiseach or the Tánaiste come to the House to tell us when they will muzzle their dog.

Senator David Norris: As they did the greyhound.

Senator Paul Coughlan: Can I say a word?

An Cathaoirleach: No. Twenty minutes ago Senator Frank Feighan was the last speaker but others were let in.

Senator Paul Coughlan: I wanted to make the point that Senator Michael McDowell was quite right about the eminent appointments.

An Cathaoirleach: Senator Michael McDowell has made the point well.

Senator Jerry Buttimer: I thank the 15 Senators who contributed on the Order of Business. On the amendment proposed to the Order of Business by Senator Mark Daly, the Orkambi issue will be discussed in the House tomorrow. The Minister for Health is in Lisbon meeting his EU counterparts, with whom he will discuss it, among other matters. I hope, therefore, that, rather than divide the House, the Senator will withdraw his amendment. At the request of his party leader last week, the matter has been placed on the Order Paper for tomorrow. New politics is at work. If the Senator withdraws his amendment, we will see even better politics.

The Senator is correct about organ donation. There is a need for a gargantuan change in how we look at it. That is why the Government is and the Minister in the previous Government, Deputy Leo Varadkar, was working on legislation for an opt-out system. It is also why the Oireachtas Joint Committee on Health and Children, of which I was Chairman, worked on the issue of organ donation. I appreciate that the Senator has the Irish Kidney Association as a nominating body and that he is representing it in the House. He is right to put the issue on the agenda because it is important, not least to those who are on dialysis and awaiting an organ donation and their families. It requires a sea change of opinion across the board. Senator Colm Burke is also correct. For a decade there was a missed opportunity when we did nothing, but now we must move forward and put things right.

I again refer to the Orkambi issue which was raised by Senators Mark Daly and Frank Feighan. This morning I met representatives of the drug company in question. They met Members in Leinster House yesterday and will do so again today. It is important that Vertex and the HSE which negotiates on behalf of the Government - the Government does not negotiate directly - engage meaningfully. I understand six meetings have been held in the past five months. We are talking about people's lives and their quality of life. There must be engagement and a willingness on the part of both Vertex and the HSE to enter into negotiations to present workable proposals to benefit those who need this much needed drug to improve their quality of life. I hope that, as a result of the statements to be made tomorrow, the visit of the

Minister for Health to Lisbon today and the traction the issue has gained in the media in recent days and weeks, we will see movement on it. I must admit that I expected a different outcome to my discussion this morning with the representatives of Vertex. For what it is worth, I found them willing to engage and prepared to go to the table. I hope all sides can come to it and that we will see people's quality of life improve. Tomorrow afternoon we will have statements for an hour on the issue in order that we represent people's views to see if we can bring the matter to a resolution.

Senator Gerard P. Craughwell also referred to the Orkambi issue. I thank him for the remarks he made on the amendment made by the Minister for Social Protection, Deputy Leo Varadkar, in connection with Independent News & Media.

Senators Paul Gavan, John O'Mahony, Frank Feighan and Niall Ó Donnghaile raised the issue of transport. I will be happy to have the Minister for Transport, Tourism and Sport, Deputy Shane Ross, come back to the House to discuss it. The issue of Bus Éireann is important. It is one we need to see resolved in the context of the provision of services for people living in both rural and urban areas. It transcends the urban-rural divide. The Minister has a duty to represent the taxpayer, as he is doing in highlighting a potential crisis in Bus Éireann which is loss-making. It is equally important that he come to the House to outline his plans in that regard.

I agree with Senator Niall Ó Donnghaile. As a former Chairman of an Oireachtas committee, I am conscious that there was significant benefit in engaging with our colleagues in the Northern Ireland Assembly at Stormont and equally at North-South Ministerial Council meetings. It is by working together that we can improve connectivity and outcomes for people, whether in health, as I had the pleasure to do in the previous Oireachtas, or elsewhere. It is important that we work on the issue. I will certainly be happy to have the Minister responsible come to the House to discuss it.

I thank Senator Kevin Humphreys for his remarks on the statements to be made today on climate action and low carbon development. I hope it will be the first of a rolling series of statements on what is an important issue that will not go away. We have responsibilities that we must honour, irrespective of who is in government.

Senator Robbie Gallagher raised an important topic - Missing Persons Day. I thank the groups which are highlighting a situation that is an absolute tragedy and heart-breaking for many families who are literally hoping every telephone call or turn of the door will lead to their loved one coming back. I commend the Senator for raising the matter in the House. I will certainly be happy to ask the relevant Minister for funding for the missing persons helpline.

Senator Maria Byrne raised the matter of flights from Shannon and Cork airports. As a representative from the Cork region, I welcome Norwegian Air's decision to commence flights between Cork and Boston. I am sure the Cathaoirleach will join me in doing so. It is an important development for Cork, one that will open up and be of considerable benefit to the region. I also welcome the announcement today of new jobs in Limerick.

Senator Máire Devine referred to the fine imposed on Pfizer. While the company refuted this in a statement this morning and it is the subject of an ongoing appeal, it is an issue on which we need to keep abreast of developments.

Senator Colm Burke referred to the cost of drugs. There is an agreement which, in many cases, will lead to a reduction in the price of drugs. While the cost of a basket of drugs has come

down in recent years, I accept that we still have a long way to go.

On the issue of dampness and the provision of funding for housing, I will ask the Minister responsible to come to the House to discuss it.

Senator Michelle Mulherin, rightly, mentioned that last Saturday was Small Business Saturday. I hope small local businesses can be supported.

The Senator also referred to An Post and the AddressPal card. It is worrying that An Post is advertising through a UK link when the same value for money can be achieved through small and medium enterprises and businesses in local towns. It would be far better for An Post to engage in a strategic plan with local businesses in order that it can remain relevant and focused on small local towns. I hope it can do this in the future. The Senator is correct. I will be happy to have the Minister for Communications, Climate Action and Environment, Deputy Denis Naughten, come to the House to discuss the issue.

Senator Aidan Davitt mentioned Poison Awareness Day and the use of liquid detergent tablets. He highlighted the fact that 700 children a year were affected by taking such tablets. I will be happy to have the Minister for Children and Youth Affairs, Deputy Katharine Zappone, or the Minister for Health, Deputy Simon Harris, come to the House to discuss the issue.

Senator Rose Conway-Walsh raised the issue of coding. I am glad that she has welcomed the action plan for education which was discussed in the House recently with the Minister for Education and Skills, Deputy Richard Bruton. I commend the former Minister of State, Deputy Ciarán Cannon, who did a significant amount of work on the issue and the Minister for including coding in the curriculum. I will be happy to have him come back to the House to update us on the issue.

Senator Colm Burke referred to the cost of a basket of drugs. He also referred to organ donation, an issue on which I have touched.

Senator Mark Daly praised the Garda for its involvement in the locating of the greyhound Clares Rocket. I am pleased that it was found. It is a source of concern that, for whatever reason, people think they can apprehend a greyhound, a horse or a person. It is important that we recognise that the Garda does a considerable amount of work in communities and that its members put themselves at risk in doing so. I commend them for their work.

As I mentioned, Senator Mark Daly raised the issue of Orkambi. It would be better if the drug company went on the public airwaves to explain the position, rather than hide behind a press statement. We are all receiving emails and telephone calls from patients and their family members and want to see all of them achieve a better outcome.

Senator Michael McDowell referred to an article in today's edition of *The Irish Times*. I have not seen it, but the Senator has the right of reply to the newspaper. He could put pen to paper which he is very good at doing and write to the editor.

Senator Michael McDowell: The Leader should not worry. I will get around to doing it.

Senator David Norris: I sent a letter this very morning.

Senator Jerry Buttimer: Yes, I saw it. I commend the Senator for his very fine letter defending the Seanad. To be serious, we have been very well served by the members of the

Judiciary.

Senator Michael McDowell: Hear, hear.

Senator Jerry Buttimer: They are independent and have been fair and balanced in their willingness to judge and impart their decisions. It has always been about the case in question, not their viewpoint or whatever else.

Senator Paul Coughlan: Absolutely.

Senator Jerry Buttimer: It is important that we have a period of calm and do not engage in hyperbole. We must not transcend the line between the Executive and the Judiciary, which must remain clear. The programme for Government is committed to making significant reforms in the process used in the making of judicial appointments, but it is my personal view that the Chief Justice should play a role in that regard. It is important that we allow for an input into the changing of the process. I would not like people to hold the view that members of the Judiciary are appointed on the basis of political cronyism. It is my experience that they are appointed based on their experience, expertise and competency. We should not engage in a war with them on the issue. I hope we will see that process being undertaken in the new year.

I hope Senator Mark Daly will withdraw the amendment he proposed to the Order of Business because we will have a debate on the issue to which he referred tomorrow afternoon.

An Cathaoirleach: Senator Mark Daly has proposed an amendment to the Order of Business: “That No. 27, non-Government motion No. 12, be taken today.” Is the amendment being pressed?

Senator Mark Daly: No. I withdraw the amendment.

Order of Business agreed to.

Sitting suspended at 12.35 p.m. and resumed at 12.45 p.m.

Finance Bill 2016 [Certified Money Bill]: Committee Stage

An Leas-Chathaoirleach: We are dealing with recommendations, rather than amendments, considering the constitutional position.

Section 1 agreed to.

SECTION 2

Question proposed: “That section 2 stand part of the Bill.”

Senator Rose Conway-Walsh: This section sums up the budget, the choices this year and the fact that the wrong decisions were made. The rhetoric is about investment in public services but in section 2 we have the real intent of this Bill, which is to slash taxes. We will see an example of that later with capital acquisitions tax, CAT. It is not a matter of the €335 million of fiscal space this year or even the €390 million cost on the full year of these cuts. It is the €5.6 billion we are foregoing that we could bring in by 2021 simply by not making any change to the universal social charge, USC. The Government’s policy, supported mostly by Fianna Fáil, is to

abolish this tax in the coming years. The Department's income reform plan laid out a number of options while a response to an FOI request by my colleague, Deputy Pearse Doherty, revealed that the Department drew up a few options to replace the revenue lost. These included an option to increase property tax sixfold while also increasing commercial stamp duty, CGT, CAT and other stamp duties. Other options were to increase both rates of income tax by 5% and a range of measures relating to indirect taxes such as increasing the excise on petrol and diesel by 18 cent per litre, on a pint of beer by €1.50 and on a glass of spirits by €1, and increasing each VAT band. The response stated the USC is progressive, and important in maintaining a broad tax base, and the better off would benefit most from its abolition. The Minister will tell us his plan is to phase out USC but it is worth putting on record what his Department says about the real cost in the context of other taxes.

The income tax reform plan lays out three plans for phasing out USC. The Minister has more or less followed the first option in year one by reducing rates. Even if he followed that plan for the next three years, he would expend much of the €1.7 billion fiscal space but not come close to abolishing the charge. Has he a plan to abolish it? At what point did he change his tune? His comments on the charge went from, "I should point out that it was never intended that the USC would be a temporary measure", to, "It was introduced as an emergency tax"; it cannot be both.

Senator Kieran O'Donnell: I recall when USC was introduced. I was self-employed as an accountant for many years and I received many calls from accountants and people who were earning about the penal nature of the charge. It is levied on gross income without deductions. I have always viewed it as a wartime economic tax given the symbolism associated with it and the context in which it was introduced. Over time, we have to find a way to eliminate it. That cannot be done overnight but the measures proposed in the legislation address people on low incomes. The two lowest rates will reduce by 0.5% under the section, which is welcome. We are on a voyage to find a sustainable means to eliminate USC. It is penal for all groups and it affects all the people we represent across parties. People want the charge gone and I hope that can be done in a sustainable way. I very much commend the section.

Senator Michael McDowell: Whatever the origin of USC and whether it was an emergency matter, it has the effect, together with income tax, of forming the basis of the marginal rate of tax that many people face. Senator Kieran O'Donnell mentioned the self-employed, of whom I am one. I do not make a plea in respect of myself but I do so on behalf of many other people in the self-employed category. They face a number of discriminations in the taxation system. If somebody who is self-employed hits the top rate of tax, USC and PRSI, for every hour they work after a certain period or every additional day they work or weekend they work, 55% of what they earn goes to the State. It cannot be right that people who, in many cases, are struggling to keep firms going, have taken enormous risks and taken borrowings to establish businesses that employ others - I refer to people such as small electrical contractors, not the fat cats who are regularly assailed - should face a 55% tax rate at the margin of their incomes. The margin matters because it is the basis on which an electrical contractor will decide whether he or she will go for another contract, do some more work, employ more people, take further risks and the like. If the tax system makes the State a 55% partner in all those decisions as far as the gains are concerned with no risk in respect of any losses that can arise, not to mention the additional risks such people are taking, including the risk of going bust or the nightmare of having banks withdraw working capital, credit arrangements and so on, it is immensely penal.

I fully appreciate that the tax system had to be made much more severe to remediate the

financial crisis the country fell into but Sinn Féin points out that the changes made in the section have implications for other taxes and the Department of Finance has pointed out the tax consequences of reductions in USC. I accept that is sometimes the case but other measures should be considered by the House later when we get to the question of CGT. In Kildare House in 1997, I recall former Deputy, Charlie McCreevy, and I proposing by way of an amendment on Committee Stage of the Finance Bill that the CGT rate should be reduced from 40% to 20%. I do not say this to be critical of the Department but the stock rejection of this was that it was a foolish idea and it was unfair on ideological grounds. Ultimately, when Charlie McCreevy became Minister for Finance later that year and took the opportunity in his first budget to make the reduction, the yield from the tax increased by 550%. We come up against the law of diminishing returns in the context of taxation. The current CGT rate is too high. Many transactions are not happening because people say, at the end of the day, that they will not give 33% of the value of a transaction to the State. The 20% rate had the advantage of stimulating activity. The odd few people emigrated to avoid even that rate and perhaps something should be done to stop them. We know who I am talking about but few enough people begrudge the State 20% on a capital gain. The yield increased when the cut was introduced.

I do not accept the proposition that we are always engaged in a zero-sum game in respect of taxation and rates. A 55% combined rate of tax, PRSI and USC for the self-employed has serious effects on their motivation and willingness to take risks and to expand their businesses. Likewise, tax rates such as 33% on capital gains are counterproductive.

The proof of the pudding was when Charlie McCreevy reduced the rate from 40% to 20% and the yield went up five and a half times. We should learn from that. I am not making an ideological point but saying that while it is possible to have ideologically driven tax rates, their yield can be depressed. I favour section 2 and the thoughts that lie behind it. I do not believe it is a step in the wrong direction. It could go much further. We should take an overall view of our tax rates to see whether they are inhibiting or encouraging economic activity. For this reason I beg to differ with the Sinn Féin views expressed here to the effect that any diminution in pay related social insurance, PRSI, or the universal service charge, USC, is socially counterproductive. It is necessary to consider the marginal rates, the effects on marginal decisions, on growth and on investment and so on when considering where the rate should be.

Senator Kieran O'Donnell: This has the appearance of a pre-election manifesto for the reformed Progressive Democrats.

Senator Michael McDowell: I would be premature in my announcements.

Minister of State at the Department of Finance (Deputy Eoghan Murphy): As the Minister for Finance said in his Budget Statement, high marginal tax rates act as a break on employment. They discourage people from taking jobs and emigrants from returning. Resources available to the Minister in this budget were limited. In line with the programme for Government, he has chosen to focus the budget 2017 income tax package on low and middle income earners, building on the steady progress made since budget 2015 in reducing USC. For the third budget in a row, he is reducing the top marginal rate of tax on income up to €70,044 per year and, subject to the passing of this Finance Bill, this marginal rate will stand at 49% from January 2017. It should be remembered that as recently as December 2014 the marginal rate of tax for a single individual on all income over €33,800 was 52%.

This section amends section 531AN of the Taxes Consolidation Act 1997 to give effect to

the USC changes announced on budget day. These changes are a continuation of the process of progressively reducing the marginal tax rate on low and middle income earners in a manner that maintains the highly progressive nature of the tax system. The aim is to make it more attractive to return to work and to stay in work, to ensure that work rewards individuals adequately and to encourage emigrants to return home. Therefore, the 1% rate will go down to 0.5% the 3% rate will go down to 2.5% and the 5.5% rate will go down to 5%. There is also a small but important increase in the ceiling on the band on which the reduced 2.5% rate of USC will be payable from €18,668 to €18,772. This increase will ensure that the salary of a full-time worker on the minimum wage will remain outside the top rates of USC. These changes will cost €355 million in 2017 and €390 million in a full year. In addition, the section also contains a minor technical amendment to the week 53 changes that were introduced last year. This is to make it clear that only one extension of the rate band can be granted in years in which an employee has 53 pay weeks, notwithstanding that an individual may have two separate PAYE employments in that year.

To respond to some of the specific comments raised by Senators, no one ever proposed abolishing USC overnight. The paper the Senator cited was speaking to the effect of what one might have to do if it was abolished overnight, but no one ever proposed it. That was the thought experiment but it has never been part of the Fine Gael Party's thinking or the Government's thinking on how we might reduce the high tax burden on people.

To respond to Senator Michael McDowell, the tax burden is too high. No one should have to give more than half of their income each week to the government. The Government is working to make that a reality for everyone who works and it is particularly important that we do it for the self-employed as well. Several steps have been taken in this and the last budget to make sure that is the case but we recognise there is still a way to go. If the Senator reads the income reform and the tax strategy group papers, published earlier this year, he will see this is an innovation in how both Houses of the Oireachtas can scrutinise and debate budgetary decisions in advance of budget day and do that in line with new resources for parliamentarians. Having a dedicated committee and an office for budget scrutiny, which is only getting off the ground this year, together with these publications and increased transparency in the Department of Finance, means that into next year we can have detailed debates on our overall tax strategy in advance of budget day, such that Government, each Opposition party and individual Members in both Houses can be informed and have the space to debate their ideas and proposals.

In response to Senator Kieran O'Donnell's points about the progressive nature of the changes we are making, we have always sought to reduce USC and the tax burden in a progressive and fair way. It is equally important that we do so in a sustainable way. The changes in this section do that.

Question put:

The Committee divided: Tá, 26; Níl, 9.	
Tá	Níl
Burke, Colm.	Conway-Walsh, Rose.
Burke, Paddy.	Gavan, Paul.
Butler, Ray.	Humphreys, Kevin.
Buttimer, Jerry.	Kelleher, Colette.
Byrne, Maria.	Nash, Gerald.

Clifford-Lee, Lorraine.	Norris, David.
Coffey, Paudie.	Ó Donnghaile, Niall.
Coghlan, Paul.	Ruane, Lynn.
Conway, Martin.	Warfield, Fintan.
Daly, Mark.	
Davitt, Aidan.	
Feighan, Frank.	
Hopkins, Maura.	
Horkan, Gerry.	
Lawless, Billy.	
Lombard, Tim.	
McDowell, Michael.	
McFadden, Gabrielle.	
Mulherin, Michelle.	
Noone, Catherine.	
Ó Domhnaill, Brian.	
O'Donnell, Kieran.	
O'Mahony, John.	
O'Reilly, Joe.	
Reilly, James.	
Richmond, Neale.	

Tellers: Tá, Senators Gabrielle McFadden and Catherine Noone; Níl, Senators Paul Gavan and Niall Ó Donnghaile.

Question declared carried.

Sections 3 to 8, inclusive, agreed to.

SECTION 9

Senator Gerry Horkan: I move recommendation No. 1:

In page 22, between lines 42 and 43, to insert the following:

“(26) The Minister shall, within three months of the passing of this Act, prepare and lay before the Oireachtas a report on the effectiveness of the Activate Capital development finance for residential redevelopment schemes under the Ireland Strategic Investment Fund and set out the options for a sustainable finance model for the construction of new residential homes.”.”.

I discussed this with some of the officials in the past day or so. It seeks a report within three months of the passing of the Bill to be prepared by the Minister and laid before the Oireachtas. The report would deal with the effectiveness of the Activate Capital development finance for residential redevelopment schemes under the Ireland Strategic Investment Fund, ISIF, and set out the options for a sustainable finance model for the construction of new homes. The recommendation is quite self-explanatory and just asks for a report within three months on the effectiveness of this part of the Bill.

Deputy Eoghan Murphy: The ISIF informs me that to date in 2016, Activate Capital has provided site and working capital finance for the delivery of more than 1,200 new homes. Activate Capital's pipeline for new home construction funding is strong, and the consistent feedback from developers and builders is that this specialist form of residential development lending is valuable in helping kick-start the housing market. By way of context, whereas the ISIF has provided financing for Activate Capital, it is a private commercial entity. The ISIF does not hold equity in it and nor does it involve itself in the management of the entity. Senators will, of course, be keenly aware that the ISIF cannot disclose any third party commercially sensitive information. As would be expected for projects of this nature, there is participation and equity upside if projects are successful in order that the fund and, by extension, taxpayers share any gain alongside the project promoter.

I broadly accept the intention behind the recommendation and will request the ISIF to produce a report on its investments to support the delivery of housing, including Activate Capital and other investments, within three months of the enactment of the Bill. Given this commitment, I ask that the recommendation be withdrawn. I hope Senators agree that an amendment of this type is not, strictly, appropriate to the Finance Bill.

An Leas-Chathaoirleach: It is a recommendation.

Senator Gerry Horkan: Yes. I accept the Minister of State's bona fides. I will be happy to withdraw it.

An Leas-Chathaoirleach: Is the Senator withdrawing his recommendation?

Senator Gerry Horkan: Yes. I have done so after accepting the Minister of State's comments.

Recommendation, by leave, withdrawn.

Question proposed: "That section 9 stand part of the Bill."

Senator Rose Conway-Walsh: We will oppose section 9 of the Bill. The help-to-buy scheme was a bad idea when it was first proposed, and after the Central Bank's changes, it is a really stupid idea. This scheme will add fuel to the fire and it will not add to supply. It will just boost demand, drive up prices and only help developers and banks. Unlike others, my party is unambiguously opposed to it. We had the farce of Fianna Fáil telling us it was opposed to it on Committee Stage in the Dáil and then arguing for it to be extended.

When the scheme was launched, the Minister responsible for housing, Deputy Simon Coveney, stated he did not want to hear any academic arguments. One does not need to be an academic to know what effect free money has when there is a limited supply. This is a reckless idea that harks back to the worst ideas of Fianna Fáil's reign. This might be the last chance to stop it. I urge all Senators to block this section.

Question put:

The Committee divided: Tá, 24; Níl, 12.	
Tá	Níl
Ardagh, Catherine.	Bacik, Ivana.
Burke, Colm.	Conway-Walsh, Rose.

Burke, Paddy.	Devine, Máire.
Butler, Ray.	Gavan, Paul.
Buttimer, Jerry.	Humphreys, Kevin.
Byrne, Maria.	Kelleher, Colette.
Clifford-Lee, Lorraine.	Mac Lochlainn, Pádraig.
Coffey, Paudie.	Nash, Gerald.
Coghlan, Paul.	Ó Céidigh, Pádraig.
Conway, Martin.	Ó Donnghaile, Niall.
Davitt, Aidan.	Ruane, Lynn.
Feighan, Frank.	Warfield, Fintan.
Hopkins, Maura.	
Horkan, Gerry.	
Lawless, Billy.	
Lombard, Tim.	
McFadden, Gabrielle.	
Mulherin, Michelle.	
Noone, Catherine.	
O'Donnell, Kieran.	
O'Mahony, John.	
O'Reilly, Joe.	
Reilly, James.	
Richmond, Neale.	

Tellers: Tá, Senators Gabrielle McFadden and Catherine Noone; Níl, Senators Paul Gavan and Niall Ó Donnghaile.

Question declared carried.

SECTION 10

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

Senator Paul Gavan: Just as we discussed with the help-to-buy scheme, evidence appears to be best ignored in the view of the Minister. The Revenue Commissioners tell us that in 2014, 302 people availed of €5.9 million in tax relief under the special assignee relief programme, SARP. That is an average of almost €20,000 in tax that 302 people, who already are very well paid, did not pay because of this scheme. The only figures we have on job creation or retention are from the Department's report in 2014. It states that of the 12 people who availed of the scheme in 2013, only five jobs were created and six jobs were retained. The same report stated that there was also a lack of measurable evidence that the scheme had resulted in an increase in foreign direct investment, or the roll-out of new projects. It further stated that under the scheme it is not mandatory to create jobs to qualify for the SARP. The facts do not support this scheme. Unfortunately, it is another classic ruse whereby Fine Gael hands out tax subsidies to its wealthy friends.

Deputy Eoghan Murphy: The most recent report on the special assignee relief programme in respect of the 2014 tax year showed that 302 employees availed of it in that year. It also

showed that 126 jobs were created and 708 jobs were retained as a result of the incentive. The cost of the scheme to the Exchequer in 2014 was almost €6 million. Section 10 provides for the extension of the programme as announced on budget day. The Minister, Deputy Michael Noonan, decided to extend the incentive until the end of 2020 and to announce it early to provide certainty for potential investors in Ireland. That is particularly important following the UK vote to leave the European Union.

Question put and declared carried.

SECTION 11

Question proposed: “That section 11 stand part of the Bill.”

Senator Paul Gavan: I do not wish to speak to this section which my party is opposing.

Question put and declared carried.

Sections 12 to 17, inclusive, agreed to.

SECTION 18

Senator Gerry Horkan: I move recommendation No. 2:

In page 38, between lines 5 and 6, to insert the following:

“(3) The Minister shall, within three months of the passing of this Act, prepare and lay before the Oireachtas a report on application of tax liabilities on an individual within a farm partnership deemed under tax law to have ceased farming.”.

This recommendation calls on the Minister for Finance to prepare and lay before the Oireachtas a report on farming matters. The Minister of State and I will both acknowledge that neither of us has any great farming background.

Senator Kieran O’Donnell: The Senator comes from leafy south Dublin.

An Cathaoirleach: Many people in the area are involved in horticulture.

Senator Kieran O’Donnell: They keep small animals in their small gardens.

Senator Gerry Horkan: I am more than interested in horticulture, but I am not an expert on farm partnerships. I will give an example to explain where this amendment is coming from. If there is a farm partnership between a son and his retired father who remains in the partnership, the father will be taxed as if he were a farmer even though he has ceased farming. I would appreciate it if the Minister of State and his officials could look at the tax implications of someone within a farm partnership ceasing farming but still being taxed as a farmer.

Deputy Eoghan Murphy: I believe the Senator had an opportunity to engage with officials on this matter. There has been some confusion since the registered farm partnership regime replaced the milk production partnership regime. Revenue is currently preparing a booklet on the taxation issues around registered farm partnerships, including the implications of the cessation rules. This is due to be published before the end of the year. On that basis, I do not propose to accept the recommendation.

An Cathaoirleach: Is the recommendation being pressed?

Senator Gerry Horkan: No. I accept the Minister of State's response.

Recommendation, by leave, withdrawn.

Section 18 agreed to.

Sections 19 and 20 agreed to.

SECTION 21

Senator Gerry Horkan: I move recommendation No. 3:

In page 40, between lines 3 and 4, to insert the following:

“(3) The Minister shall, within three months of the passing of this Act, prepare and lay before the Oireachtas a report on the breaking of the link between the rate of DIRT and the rate of exit tax from life assurance policies, including the impact of this on life assurance savers.”.

This is another recommendation that is looking for a report to be prepared. DIRT is being reduced but the exit tax from life assurance policies is not. I have spoken to officials about this matter. The DIRT rate, which has increased enormously in recent years, will be reduced from 41% to 39% in 2017 and to 33% by 2020. Interest rates are very low. Very little interest is being earned by depositors. The DIRT rate was traditionally linked to the rate of exit tax applicable to life assurance investments. The yield from the exit tax on such investment projects has increased dramatically in recent years. I am proposing this amendment to highlight the fact that there will now be discrimination between different savings and investment products. There has not been that difference before now. As I have alluded to, returns on many savings products are close to 0%. There is also a 1% stamp duty on life assurance investment products. I am asking for a report to be produced to highlight the consequences of discriminating against people who are saving through different investment instruments. Although the differential is small, it will get larger as the Government reduces the DIRT rate to 33% if the exit tax is left at 41%. The 2% DIRT reduction will cost €9 million in 2017. The Minister has indicated that it will cost €14 million in a full year. What would have been the extra cost if we had extended the reduction to the life assurance products I am asking about? I understand it would cost €11 million to extend the DIRT rate adjustment to these savers. I would like to hear the Minister of State's response.

Deputy Eoghan Murphy: This matter was discussed at length in the Dáil. The Department's view is that a report prepared within three months of the passing of this Bill is unlikely to reveal anything we do not already know. The issue is not a lack of desire to reduce the rates of exit tax and other taxes that have previously been linked to the rate of DIRT, but the not inconsiderable cost of moving all the rates in tandem. Those costs are on the record. When Deputy Michael McGrath proposed similar amendments during the Committee and Report Stage debates on this Bill in the Dáil, we discussed this matter and I gave a commitment that it will be considered as part of the tax strategy group process in advance of next year's budget and Finance Bill. Deputy Michael McGrath accepted that this would achieve the effect desired under his amendments and withdrew them on that basis. I am happy to repeat this commitment to Senator Gerry Horkan today. I hope he will agree that this commitment will achieve the effect desired in his recommendation. The tax strategy group papers were published in July this year. This was the first time this was done. We will be publishing such papers again as part of the budgetary process for next year and this issue will be considered in that context.

An Cathaoirleach: Is the recommendation being pressed?

Senator Gerry Horkan: No. I am happy to accept the Minister of State's response.

Recommendation, by leave, withdrawn.

Section 21 agreed to.

SECTION 22

An Cathaoirleach: Recommendations Nos. 4 and 5, in the name of Senator Alice-Mary Higgins, have been ruled out of order because they involve a potential charge on the Exchequer.

Recommendations Nos. 4 and 5 not moved.

Senator Lynn Ruane: I move recommendation No. 6:

In page 45, between lines 30 and 31, to insert the following:

“(iv) for which there may be no shared ownership, or control, in the State or internationally, between the qualifying company and the recipient of any interest or other distribution payable.”.

This recommendation draws on the work of Deputy Stephen S. Donnelly during the Report Stage debate on the Bill in the Dáil. It attempts to break any potential shared ownership between a vulture fund in Ireland and a loan that it receives. As internal loans can be used to move the profits of vulture funds offshore, it is important for us to ensure financial manoeuvring does not allow internal loans to look like independent loans, even though they are all actually owned by the same parent company. I will not press this amendment today, as I intend to resubmit it on Report Stage, but I would like to get a response from the Minister of State.

Deputy Eoghan Murphy: I thank the Senator. The tax code taxes people on the profits they earn. Profits are calculated after taking account of deductions incurred wholly and exclusively in the course of the business from which the profits arise. The tax code does not generally disallow a transaction with a connected person, simply because it was with a connected person, if that transaction is carried out on the same terms as a transaction with an unconnected person. Section 817C is a marked example of where the tax code does distinguish such transactions. The avoidance of this specific anti-avoidance provision can trigger the 30% tax avoidance surcharge that was introduced in the Finance Act 2014. Interest paid to a connected person is deductible only in calculating the profits of the trade where, on receipt, that interest would be part of the taxable profits of the trade of the connected person. The issue of interest deductibility is currently under review internationally; for example, in the context of the recent EU anti-tax avoidance directive. This directive, which was agreed by member states following the ECO-FIN meeting of 17 June last, contains five significant corporate tax anti-avoidance measures, one of which relates to interest deductibility. Broadly, the interest limitation rule proposes that the tax deductions for interest a company can claim are limited to 30% of its earnings, subject to certain exemptions. The interest limitation rule must be implemented by member states by 1 January 2019. However, its provisions may be deferred until 2024 for countries that already have strong targeted interest rules. Therefore, I cannot accept the Senator's recommendation.

An Cathaoirleach: I acknowledge the presence in the Visitors Gallery of the Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, a very esteemed former Member of

this House who has risen to great heights. We are honoured that people like the Minister visit the Chamber to observe the workings of the Seanad. He has not forgotten his alma mater.

Is Senator Lynn Ruane pressing this recommendation?

Senator Lynn Ruane: I will withdraw it and resubmit it on Report Stage.

Recommendation, by leave, withdrawn.

Section 22 agreed to.

SECTION 23

An Cathaoirleach: Recommendation No. 7, in the names of Senator Rose Conway-Walsh and others, has been ruled out of order because it involves a potential charge on the Exchequer.

Recommendation No. 7 not moved.

Section 23 agreed to.

Section 24 agreed to.

SECTION 25

Senator Lynn Ruane: I move recommendation No. 8:

In page 71, between lines 33 and 34, to insert the following:

“(3) The Minister shall, within three months of the passing of this Act, prepare and lay before the Houses of the Oireachtas a report on the offset of losses, carried forward from preceding accounting periods, for which relief is available in succeeding accounting periods, setting out the costs of tax foregone and the merits of any alternative to the current treatment of those losses.”.

This is a slightly modified version of an amendment to the Bill that was proposed by Deputy Joan Burton on Report Stage in the Dáil. It requires the Minister to compile a report on the practice of companies using previous accumulated tax losses to forego paying tax on profits now. I understand that this use of losses is a feature of many tax systems. Indeed, it is most likely that US President-elect Donald Trump used this vehicle to potentially avoid paying federal tax in the US for much of the past 15 years. However, I suggest that in the context of such significant losses in the financial services, property and construction sectors during our own economic crash, it seems inequitable for companies to be able to use those losses to offset tax obligations now. I think a report in this area would be useful. I would like to hear the Minister of State’s thinking on the issue.

Deputy Eoghan Murphy: I thank the Senator for raising this issue. We had an extensive debate on it in the Dáil on Committee and Report Stages and I do not want to repeat comments that were made there. For the sake of brevity, while I do not propose to accept the recommendation, during the debate on the issue in Dáil Éireann, the Minister, Deputy Michael Noonan, undertook to make a more expansive note available to Members. I will ask the Department to make that note available to Senators as soon as it is ready to do so.

An Cathaoirleach: Is the recommendation being pressed?

Senator Lynn Ruane: No. I will withdraw it until Report Stage.

Recommendation, by leave, withdrawn.

An Cathaoirleach: Recommendation No. 9 is in the name of Senator Alice-Mary Higgins.

Senator Colette Kelleher: I move recommendation No. 9:

In page 71, between lines 33 and 34, to insert the following:

“(3) The Minister shall, within eight months of the passing of this Act, prepare and lay before the Houses of the Oireachtas a report in respect of the effective tax rate paid by companies in Ireland with recommendations to increase that effective tax rate including a consideration of the introduction of minimal effective tax rates.”.

I am moving this recommendation on behalf of my Civil Engagement colleague, Senator Alice-Mary Higgins. The Department of Finance report on effective tax rates of corporate tax in Ireland 2014 noted that our effective corporate tax rate was between 2.2% and 15.5% depending on which of the eight models was used. The effective tax rate is a better measure of the actual level of tax paid than the headline rate because it takes account of the existence of tax reliefs, credits and the differences in the taxable base.

It is really important that we get a report from the Minister on the effective tax rate paid by companies in Ireland. We saw with Apple that the effective tax rate could have been as low as 1%. Day after day, people from all sides of the House come in here and raise issues of concern such as halting sites that are fire traps, women waiting for months, even years, for gynaecology appointments in Cork or children going to bed in bed and breakfast accommodation. The response we tend to get when we raise these issues is that there is not enough money, the budget is tied up or that our proposals are completely unaffordable. The reality is that these things are not unaffordable. We can build better halting sites, we can hire more doctors and consultants and we can build tens of thousands of the much needed social houses, but we have decided not to do so. These choices are made on the floor of this and the other House. We have decided that instead of investing in the people, we want to cut taxes.

The cuts to USC in budget 2017 will cost us €335 million. Think of all the homes, hospitals and halting sites we could have built with that one tax cut alone. When it comes to corporate tax, we need clarity on the effective rate being paid in order that we can examine the choices on offer. We need guidance on how to increase the effective tax rate and consideration needs to be given to the introduction of a minimal effective tax rate to stop the repeat of the giveaways of 1%. That is why I urge Members of the House, both those in government and those aspiring to be in government, to support this sensible recommendation from Senator Alice-Mary Higgins.

Senator Paul Gavan: Well said.

Deputy Eoghan Murphy: I thank the Senator for the recommendation. This work has been done very recently. In April 2014, the Department of Finance published a technical paper on effective rates of corporation tax in Ireland. The paper was jointly written by the Department of Finance and Mr. Seamus Coffey of UCC to ensure the work was as objective as possible. The paper contained a comprehensive analysis of the issue of effective rates of corporation tax paid and it was prepared in order to provide clarity around the seemingly conflicting figures that are frequently quoted. It is an excellent resource for those seeking to understand what can be a

complex technical issue. I will endeavour to make sure copies of the paper are made available.

In the interest of brevity, the paper found that the effective rates of corporation tax, as measured according to statistics from those two sources, are reasonably close to the headline rate of 12.5% and that the difference is mainly accounted for by double taxation relief and a small number of other reliefs including the research and development tax credit. The paper was based upon the analysis of effective rates across a ten-year period and, therefore, does not need to be re-examined on an annual basis. On the basis of that extensive analysis, the Department is comfortable that companies in Ireland are paying the appropriate rate of corporate tax on profits generated by those companies in Ireland. It is important to make that detailed reported available to Senators and if they would like to follow up with it at a later stage in the course of next year we can discuss it then.

An Cathaoirleach: Is the recommendation being pressed?

Senator Colette Kelleher: No, but we will resubmit it.

Recommendation, by leave, withdrawn.

Section 25 agreed to.

Sections 26 to 35, inclusive, agreed to.

An Cathaoirleach: Recommendation No. 10, in the name of Senator Gerry Horkan, has been ruled out of order as it involves a potential charge on the people.

Recommendation No. 10 not moved.

Section 36 agreed to.

Sections 37 to 44, inclusive, agreed to.

An Cathaoirleach: Recommendation No. 11, in the name of Senator Gerry Horkan, has been ruled out of order.

Recommendation No. 11 not moved.

Section 45 agreed to.

NEW SECTION

Senator Gerry Horkan: I move recommendation No. 12:

In page 93, after line 35, to insert the following:

“Value-Added Tax in respect of charities

46. The Minister shall, within three months of the passing of this Act, prepare and lay before Dáil Éireann a report on the introduction in 2017 of a capped Value-Added Tax compensation scheme for charities with reimbursement to commence in 2018.”

This recommendation is looking for a report and much of the work has been done in the Department of Finance. There was a working group involving officials, members of the Irish Charities Tax Reform Group and a representative of EY, Ernst & Young, which completed its

report last year. It looked at various options around a VAT compensation scheme that would be capped. It is estimated that about €77 million a year is paid by charities in VAT, which obviously eats in to what they are fundraising in the first place. The working group examined a number of different models including UK, Dutch and Danish schemes. We are asking the Government to look at the concept of charities and the VAT they pay and if it can be reimbursed. Charity status is something that is used in a very broad way. Ireland's highest earning charity is St. Vincent's Healthcare Group - it is defined as a charity. This recommendation proposes looking at a capped value-added scheme for charities that are paying large amounts of what they fundraise back in VAT.

Deputy Eoghan Murphy: As the Minister, Deputy Michael Noonan, mentioned in his recent Budget Statement, he has asked his officials to engage again with the working group the Senator referred to with a view to reviewing the options available to provide compensation for charities as regards the burden of VAT while being mindful of fiscal constraints. I understand officials have already met the Charities Institute Ireland in that regard. I ask the Senator to withdraw the recommendation. I will bring forward a report on the issue, which we will make available to the Senator on completion.

Recommendation, by leave, withdrawn.

Sections 46 to 52, inclusive, agreed to.

SECTION 53

Question proposed: "That section 53 stand part of the Bill."

An Cathaoirleach: Section 53 is opposed by Senator Rose Conway-Walsh and others.

Senator Paul Gavan: In the context of reducing fiscal space, Brexit and the unknown quantity of a President Trump, the Minister chose in the budget to cut €22 million of tax through CAT. In 2014, this would have benefitted 2,128 people in terms of the group A changes. We have, as we have discussed, a dwelling house exemption which I agree with and a tax-free threshold of €280,000 on acquisitions from parents to children. A report on the first quarter prices from *daft.ie* shows that in every one of the 26 counties except Dublin, that threshold is above the average asking price for a house. It is twice the asking price of an average home in County Donegal.

Prices are increasing and I accept that until there is a supply they will continue to do so. Even in Dublin, the average price only exceeds the threshold on the southside, in south County Dublin and in the northside of the city. I understand the emotional argument for the inheritance of the family home to be something the State does not get involved in, but that adds to inequality. The capital acquisitions tax is about more than houses. What we have here is
2 o'clock the Minister increasing the threshold at which a very wealthy person can inherit a valuable asset at a lower level of tax. It should not be a priority of a Government and a Minister who is blaming the fiscal rules for not being allowed to spend on capital or services. This cuts to the heart of the matter. Only this morning, a colleague questioned the Minister of State at the Department of Health, Deputy Marcella Corcoran Kennedy, on why there are not 96 beds in University Hospital Limerick, yet instead of Fine Gael and Fianna Fáil, in unison, prioritising what we really need in terms of decent public services, we have tax cuts for the wealthy.

What is involved here is a suite of tax cuts for the wealthy in the context of capital acqui-

sitions tax, inheritance tax and the universal social charge, USC. The Minister cannot have it both ways. Either he believes in decent public services in which we invest or he opts for the neo-liberal model of tax cuts, which leads to people waiting on trolleys and dying in our hospitals. That is the political difference between us. I make no apology for saying that we do not believe there should be tax cuts in this budget. We believe public services should be prioritised. We will challenge the Minister to explain to people, especially those in the area I come from in Limerick, the reason why we cannot get the 96 beds the management at University Hospital Limerick want at a time when he believes we can afford tax cuts for the wealthy.

Deputy Eoghan Murphy: For the purpose of gift and inheritance tax or, as it is known, capital acquisitions tax, CAT, the relationship between the person who provided the gift or inheritance and the person who received the gift or inheritance determines the lifetime tax-free threshold, which is known as the group threshold. There are three such group thresholds, called the A, B and C thresholds, and this section 53 provides for increases in each of them. The programme for Government provides for an increase in the category A threshold to €500,000. This change represents a step in the direction towards fulfilling that commitment.

The Minister, Deputy Michael Noonan, has provided for these changes in recognition of the ongoing increases in residential property values and the ensuing impact on beneficiaries who receive properties as part of a gift or inheritance. I emphasise that these property price increases are happening across the country, not just in Dublin. As a result of these increases, beneficiaries are increasingly faced with considerable CAT liabilities on inheriting such properties. Considerable concern has been expressed to the Department in that regard. The Minister also took into account changing circumstances where inheritances can often be from those in the category B and C thresholds. Those thresholds have also been adjusted.

Many individuals, as well as Deputies and Senators on all sides, have contacted the Department regarding the considerable shock that people experience at being faced by such liabilities on inheriting property, be it from parents, close family members or others. The increases announced in the budget, and now being legislated for in this Bill, represent the maximum increase possible at this time in light of budgetary resources available. Further changes will be considered for future budgets if resources are available.

The House will also notice that the Minister has asked it to agree changes to the availability of the dwelling house exemption, for the most part restricting its use significantly. While I am happy that there are general reliefs available, I am also prepared to change legislation where there are unintended uses of such legislation.

The standard rate of CAT in respect of gifts and inheritances taken on or after 6 December 2012 remains at 33%. There are no plans to change that rate.

Question put and declared carried.

Sections 54 and 55 agreed to.

An Cathaoirleach: Recommendation No. 13, in the name of Senator David Norris, has been ruled out of order.

Recommendation No. 13 not moved.

Section 56 agreed to.

Sections 57 and 58 agreed to.

NEW SECTION

Senator Colette Kelleher: I move recommendation No. 14:

In page 109, between lines 17 and 18, to insert the following:

“**59.** The Minister shall, within four months of the passing of this Act, prepare and lay before the Houses of the Oireachtas a review in respect of the current policy of marginal rate private pensions tax relief and how it relates to national pensions strategy for Ireland including stated national goals on closing the gender pension gap and increasing pension coverage for those on lower to median incomes.”.

Similar to the previous recommendation, I am moving this recommendation on behalf of Senator Alice-Mary Higgins. In terms of the issues outlined, for the corporate tax rate we have choices to make when it comes to the provision of pensions. Currently, people can get tax relief at the highest or marginal rate on private pension contributions. This should be reviewed and a report presented to the House, particularly on the way those tax breaks relate to the national pensions strategy and in the context of our goal of closing the gender pensions gap, which is a staggering 37% and increasing, in pension coverage for those on lower incomes. I expect the Minister of State to indicate that a recommendation is not needed to get a report but this is the only way to ensure that it will happen.

Deputy Eoghan Murphy: The pension system in Ireland is composed of two main pillars. The first is the State pension system and the second involves supplementary pension arrangements provided through a variety of arrangements that are incentivised and regulated by the State. The State has historically encouraged individuals to make provision for their retirement in order to supplement the basic State pension payments to which they may be entitled. The policy of marginal rate tax relief for pension contributions is of long standing and has been a key incentive in encouraging supplementary pension provision over the years. Under this approach, individuals can obtain income tax relief at their marginal tax rate on contributions made by them, or on their behalf, to pension schemes and personal pension plans, subject to age-related percentage limits and an overall annual earnings cap.

Calls continue to emanate from various sources for changes to the marginal rate of tax relief on pension contributions, including scaled reductions in relief towards the standard rate of income tax or the complete removal of the relief. The rationale for these proposals varies – from those who regard the relief as overly favouring the higher paid to certain advocates who consider that the supplementary pension system in general only ever serves the higher paid and that the savings that could be made from significantly reducing or abolishing reliefs in this area should be used, for example, to improve the State pension arrangements.

I have a detailed note for Senator Alice-Mary Higgins on her recommendation. I propose to give that note to Senator Colette Kelleher in advance of Report Stage and Senator Alice-Mary Higgins can decide whether to resubmit the amendment at that point.

The Government is seeking to develop a universal retirement savings system. Work is ongoing on this project in the Department of Social Protection and I do not wish to pre-empt what the final shape of that system might be. However, the core target group for a universal system would be lower and middle income earners. The Department of Finance is working with the

Department of Social Protection as part of the work of the universal retirement savings group project. In the circumstances, I do not consider it would make sense to conduct a separate exercise along the lines suggested in the Senator's recommendation in respect of marginal rate private pension tax relief. This would not represent optimum use of the Department's resources and I cannot, therefore, accept this recommendation. I will, however, give a further detailed note to Senator Alice-Mary Higgins in advance of Report Stage.

Senator Colette Kelleher: I accept the detailed report and that a copy of the report on the effective tax rates will be circulated. We will withdraw the amendment for now, but we may resubmit it.

Recommendation, by leave, withdrawn.

Section 59 agreed to.

NEW SECTION

Senator Gerry Horkan: I move recommendation No. 15:

In page 110, after line 17, to insert the following:

“Betting duty and remote licence for racecourse bookmakers

60. The Minister shall, within three months of the passing of this Act, prepare and lay before the Oireachtas a report on the treatment of racecourse bookmakers under the Betting Acts and the application of remote licences and the betting duty on racecourse bookmakers.”.

This recommendation recommends that the Minister, within three months of the passing of this Bill, shall prepare and lay before the Oireachtas a report on the treatment of racecourse bookmakers under the Betting Acts and the application of remote licences and the betting duty on racecourse bookmakers. This amendment does not deal with large bookmakers who have many shops, it specifically relates to bookmakers on racecourses. The Betting Act 2015 does not mention racecourse bookmakers or the on-course market. The law requires licensed bookmakers to take out remote licences if the remote turnover bets conducted by telephone, online or by other telegraphic means exceeds 10% of their business or €250,000, whichever is lower. Activity on a betting exchange is regarded as remote turnover. The cost of a licence is €5,000 per annum for bookmakers with a turnover of less than €60 million. Over 60% of the 128 active racecourse bookmakers have a total annual turnover of less than €500,000 and many of them cannot afford this cost. Traditionally, racecourse bookmakers have been exempt from betting duty, which is not applied to bets struck where an event takes place. The report we are seeking would examine the possibility of reinstating this exemption, so it is to examine the tax treatment, licences and betting duty as regards on-course bookmakers.

Deputy Eoghan Murphy: The Minister, Deputy Michael Noonan, gave a commitment on Committee Stage in the Dáil to review the operation of the betting tax regime as part of the 2017 tax strategy group process. If the Senator agrees to withdraw the recommendation, I will ensure this area of on-course bookmakers is also examined as part of that process.

An Cathaoirleach: Is the recommendation being pressed?

Senator Gerry Horkan: No. I am happy to accept the Minister of State's response.

Recommendation, by leave, withdrawn.

Title agreed to.

Bill reported without recommendation.

An Cathaoirleach: When is it proposed to take the Report Stage?

Senator Tim Lombard: Next Tuesday.

Report Stage ordered for Tuesday, 13 December 2016.

Sitting suspended at 2.10 p.m. and resumed at 3.30 p.m.

Climate Action and Low Carbon Development: Statements

Acting Chairman (Senator Ned O'Sullivan): I welcome the Minister and call on him to address the House.

Minister for Communications, Climate Action and Environment (Deputy Denis Naughten): It is an honour. It is a long time since I addressed the Seanad two days in a row. I am delighted to be here again today.

The Climate Action and Low Carbon Development Act 2015 provides that an annual transition statement must be presented to both Houses of the Oireachtas. This is the first such statement. In addition to this oral report, I have arranged for a written statement to be laid in the Oireachtas Library. The 2015 Act prescribes that the annual transition statement must include an overview of climate change mitigation and adaptation policy measures adopted to reduce emissions of greenhouse gases and to adapt to the effects of climate change to enable the achievement of the objective of transitioning to a low carbon, climate resilient and environmentally sustainable economy by the end of 2050. The statement must also include a record of emissions of greenhouse gases set out in the most recent inventory prepared by the Environmental Protection Agency, a projection of future greenhouse gases emissions and a report on compliance with obligations of the State under EU law or an international agreement referred to in section 2 of the 2015 Act. I will pick up on each of these areas in the course of my address.

There is incontrovertible evidence that global warming is threatening life on our planet. The planet is heating up and our activity is the main cause. Observations show that global average temperatures have increased by 0.85° Celsius since 1850. The atmosphere and ocean have warmed, the amounts of snow and ice have diminished and sea levels have risen as the concentrations of greenhouse gases have increased.

We might think we are immune in Ireland. Let us make no mistake about it: Ireland's climate is already changing too. Winters will become wetter and summers drier. We may see milder winter temperatures benefiting certain sections of the community. However, this will be offset by the potential for heat waves during summer. Rising seas will also increase the risk of coastal inundation. Storm surge events will increase in frequency. There is likely to be increased flows in river catchments with obvious consequences for flooding. Let us think back to this day 12 months ago and the discussions we had in this House following Storm Desmond and the subsequent severe winter and serious flooding.

Further impacts include a heightened risk of water shortages in summer, an increased risk of new pests and diseases, poor water quality and changes in the types of plants and animals on land and in the oceans. No one in the House requires reminding of the consequences. Let us be clear that the potential impacts for Ireland are serious and they have already partially arrived.

Where is Ireland now in terms of emissions? The Environmental Protection Agency has reported in its most recent inventory that emissions for 2015 are estimated to be 59.84 million tonnes of carbon dioxide equivalent - some 3.7% higher than emissions in 2014. According to the agency, these figures indicate that Ireland will be in compliance with its 2015 annual limit, set under the EU 2009 effort sharing decision, but is on course to exceed the limit in 2016 or 2017.

The most recent projections were published by the agency in March 2016. They provide an updated assessment of Ireland's progress towards achieving its emission reduction targets set in the 2009 EU effort sharing decision for the years 2013-20. Ireland's 2020 target is to be achieved by a 20% reduction in non-EU-ETS sector emissions on 2005 levels with annual binding limits set for each year over the period 2013-20.

The March 2016 EPA projections indicate that emissions for 2020 will be in the range of 6% to 11% below 2005 levels, depending on whether additional policies or measures beyond those already in place by the end of 2014 are implemented. This shortfall reflects our constrained investment capacity over the decade between 2008 and 2019 due to the economic crisis, including the impact of the troika programme and the EU fiscal governance requirements. All of this means we will not meet our 2020 target, which may, in any case, be inappropriate in terms of cost-effectiveness.

A number of my colleagues and I are actively engaged at Council level to try to release the purse strings in respect of the accountancy treatment of investment in the energy efficiency area and in the climate area in general. In fact, we had a discussion on Monday at the EU Council energy meeting in which the Spanish, Portuguese, Maltese, Cypriots and ourselves were positively disposed to pushing this further, as is the European Commission. The Commission has been taking up these matters directly with EUROSTAT. We are hoping to make progress on it. We can access finance cheaply. The difficulty is that, because of fiscal rules, we are not allowed to undertake certain borrowing. I hope we can make progress on that in the short term.

A Programme for a Partnership Government recognises the importance of meeting the challenges Ireland is facing on climate. As the first Minister with responsibility for climate action, which incorporates responsibility for environment and energy, I steered Irish ratification of the Paris Agreement through the Dáil, which completed the process on 4 November. The Paris Agreement is the basis for doing more and for allowing communities here, in concert with countries throughout the world, to take decisive actions which will ultimately safeguard our shared future on this planet.

The word "global" in the term "global warming" accurately summarises the incontrovertible science underlying the threat facing our planet. It also underlines the vastness and potentially daunting, if even discouraging, challenge we face. How can any one country, especially a small country, make a difference? How can any one of us make a meaningful contribution? The task of politics is to bridge the chasm between the global challenge and national responsibility, between Ireland's obligation and the responsibility of every citizen. It may be a tired truism that we cannot change the world. However, when it comes to climate change, it is a pressing fact

that the world cannot change without us.

Our obligations under the Paris Agreement will be undertaken through a range of climate action plans known as nationally determined contributions. These will address 95% of the world's emissions. Ireland will make a technically feasible, cost-effective and fair contribution to this global effort with the European Union and member states. The European Union commits overall to at least a 40% reduction in EU-wide emissions by 2030, compared to 1990 levels, based on reductions in the emissions trading system sector of 43% and the non-ETS sector of 30%.

In budget 2017 a significant start was made. More than €100 million will be invested in energy projects that will save over 116,000 tonnes in carbon emissions each year. These will support approximately 3,000 jobs and reduce our overall dependence on imported fossil fuels. A total of €7 million is being allocated to kick-start a new renewable heat incentive and the biofuels industry. We expect to see this developed significantly in the coming years. More energy-efficient homes mean people spend less money on energy, enjoy a more comfortable lifestyle in their homes and gain health benefits. That, in turn, will take pressure off health services. Tomorrow morning, we will be launching one of those pilot initiatives in Tallaght with the Minister for Children and Youth Affairs, Deputy Katharine Zappone, and the Minister for Health, Deputy Simon Harris. It is a warmth and well-being scheme. The idea is to carry out a deep retrofit investment in Dublin 12 and Dublin 24. We will be identifying people over the age of 55 years with chronic obstructive pulmonary disease and looking at the impact of the initiative not only on the comfort of their homes and energy use, but the impact on the health service and their quality of life also. It will be interesting to see the returns from the research in this respect. Anecdotally, we are getting very positive feedback from the investment we have already carried out this year.

This is not just about investment. There is also a need to think differently in areas such as waste. We have a long road ahead of us with regard to waste. We discard four fifths of everything we produce after one use. We recycle just 1g out of every 100g of valuable rare earth resources that are in products. We have to treat waste as a resource rather than as something that is just thrown away, as we have done in the past. The discussion on waste is quite topical. Waste policy must become a model for resource efficiency. We need to use less and live better. When waste is viewed from a life cycle perspective, it is estimated that greenhouse gas emissions arising from materials management activities account for over half of all emissions in developed economies. This suggests there are significant opportunities potentially to reduce emissions through modifications and expansion of material management policies. Using fewer resources means less energy needs to be produced and fewer emissions are discharged.

Food is a raw material that we have in abundance in this country. Ireland generates 2 tonnes of food waste every minute of every day. The aim of the Stop Food Waste programme, which is funded under the Environmental Protection Agency, is for householders and businesses to target food waste reductions. We have a long way to go. According to statistics, Ireland is the fifth worst country in Europe from a food waste perspective. I want to see us being the best country in Europe not only in terms of quality food production but also in food efficiency. I will announce an initiative in this area shortly.

I know that transport emissions are of great concern. We need to find different ways of looking at the challenges we face. A far more radical way of addressing this country's unique transport challenges would be to reduce the need to travel in the first instance. The national

broadband plan allows people to work from home and in their own communities, thereby removing the need for long commutes. All three bidders involved in the current tendering process under the national broadband plan propose a predominantly fibre-to-the-home network solution to connect rural Ireland. I want people to understand that this means the vast majority of consumers in rural areas will be able to access a broadband service of up to 1,000 Mbps. This will radically transform the economy of provincial towns in rural Ireland. It will take pressure off congested roads and major urban centres. It will reduce emissions and improve air quality.

We are developing a new public sector energy efficiency action plan which will be in place before the end of the year, subject to Government approval. The plan will look radically at how we drive energy efficiency in the public sector. We are looking at how to incentivise individual schools, hospitals and public sector buildings throughout the country to become more energy efficient. It is easy to do that in private business where the direct savings can be seen when there is additional money in the cashflow of businesses. It is far more complex in the public sector. I look forward to making an announcement in this regard in the coming weeks. Work is also under way on the development of a renewable electricity support scheme, a renewable electricity policy and development framework, and new planning guidelines for wind farms.

While climate policy has been primarily focused on the issue of reducing emissions, I am also prioritising the development of a national adaptation framework to ensure we address climate resilience. Progress is being made with the first national framework and, at sectoral level, with the development of sectoral adaptation plans, including a plan for the local government sector. I know many Members of the House have a significant interest in the local authority sector. We are focusing on public sector lighting, which accounts for approximately 50% of the electricity bills of local authorities. We are working closely with the ESB on an initiative to reduce dramatically the electricity consumption of local authorities. The money that will be saved as a consequence of lower electricity bills will be reinvested in communities rather than being used to worsen our emissions record.

I am fully committed to addressing the challenges ahead. I intend to adopt a consultative approach as I do so. I hope to be in a position to publish shortly the first national mitigation plan, which must be finalised by next June. This will ensure everyone can contribute fully to the societal transformation process and inform the actions identified by key sectors in developing a coherent and effective plan. Under the plan, every Department will have to take steps to meet the challenges in front of us. In the coming weeks, I will publish an initial consultation on the clean air strategy for Ireland with a view to developing an ambitious plan in line with EU policy that seeks to protect the health of our citizens and fully recognises the links between energy use and the quality of the air we breathe. I would like to mention one statistic in that context. Poor air quality in Ireland contributes to the deaths of four people every single day, which has a consequential impact on our health service and puts pressure on our hospital system. If significant progress is made with air quality, not only will it save lives and take pressure off our health service, it will also have short and long-term impacts on the environment and our climate.

Regarding renewable energy, I intend to begin a process of public consultation on the renewable heat incentive scheme in the next couple of weeks. I will also give details of a joint venture between two of our semi-State companies that seeks to optimise the supply and management of a sustainable biomass industry for Ireland. All of these elements will comprise a key part of Ireland's national climate dialogue which I hope to launch formally early in 2017. We need to recognise fully the seriousness of the threat that climate change represents. It is im-

portant we embrace and maximise the opportunities that the low-carbon transition will present. Young people will be central to this because they will inherit the consequences of our actions today. Our collective ambition cannot fail them. They will live in the transformed sustainable economy of the future, which will be underpinned by green growth and jobs.

In making this transition we must also be mindful of today's reality. We must harness the potential of the green economy to create alternative jobs for people working in industries that will become displaced over time. For example, I am planning a transition from peat-fired electricity generation to generation supported by indigenous sustainable biomass. New jobs will replace old jobs. Our rural communities will be sustained and will prosper. It is only if we manage the change in this way that we will maintain the faith of civil society and bring people with us in addressing the threat to our planet and our country that climate change represents. I commend Ireland's first annual transition statement to the House.

Senator Terry Leyden: I welcome the Minister, Deputy Denis Naughten. Both of us are from the Roscommon-Galway constituency. I commend him for his excellent presentation and the details he has outlined. He has put a great deal of work into his plans. I hope he has the time to implement them.

Deputy Denis Naughten: So do I.

Senator Joe O'Reilly: So say all of us.

Senator Terry Leyden: I presume the Minister will come to the House shortly to introduce the emergency legislation that is proposed in the postal sector. I do not agree with his decision to allow a free-for-all as far as postage is concerned. The law of diminishing returns applies in that context. If the price of a stamp is increased to 93 cent, fewer people will use the postal service. While he is present, I must say that I cannot understand why the Minister is responsible for communications and An Post but is not responsible for the sub-post offices-----

Senator Kevin Humphreys: On a point of order, we are here discussing climate change, which is the most important issue. The price of a stamp is important, but this is not the time.

Acting Chairman (Senator Ned O'Sullivan): What is the Senator's point of order?

Senator Terry Leyden: No.

Senator Kevin Humphreys: There is a clear agenda for this sitting and it is not related to An Post or the price of a stamp but to climate change. I ask the Senator to stick to it because time is valuable.

Senator Terry Leyden: I will be ruled by the Acting Chairman.

Acting Chairman (Senator Ned O'Sullivan): I ask all speakers to stick to the schedule.

Senator Terry Leyden: I am not going to be ruled by Senator Kevin Humphreys. I have my own view and an opportunity to put it straight to the Minister. I did not go on the airwaves or to the newspapers. I am only saying with the Minister present that I urge caution in that regard. I am sorry that An Post seem to be going through a very critical stage. It is amazing how it has emerged so quickly.

With regard to wind farms, I note that the Minister is proposing new planning guidelines.

That should be welcomed. I visited the wind farm in Sliabh Bawn. I do not know whether the Minister has had the opportunity to pass through it. He probably has. I must say it certainly is a blight on the landscape. If I lived down there, I think I would find it very difficult to live under 20 wind turbines. I know that we want renewable energy. I know that the policy of the State is to try to maximise the amount of renewable energy. I welcome the proposed planning guidelines that will ensure wind farms are not located so close to residential areas.

In Germany and other locations national primary network roads are used by putting wind farms alongside them. That generally does not disturb individuals and that could be looked at. I accept the amount of wind and air in locations has to be checked but it is an area that I believe could be exploited to some extent. The ones I saw in Germany were actually quite attractive on the national primary routes. I was driving from Frankfurt to Strasbourg. In that region there are quite a number of them. Those guidelines should be published as quickly as possible. There is also the question of locating wind farms in non-tourist areas, which also would be very welcome.

I welcome the Minister's proposal for housing energy and the provision of grants. I welcome that he is providing quite a considerable amount of money and creating 3,000 jobs. He might consider extending that scheme to schools. Quite a number of national schools in particular do not actually have a hot water facility, believe it or not, in this day and age. The Minister could provide some sort of grant to provide solar panels to re-equip most of the schools with solar energy to give them the energy to heat water in particular. It is a proven technology and I believe it would be welcome in saving energy in schools and as a lesson for young people in schools on the benefit of alternative energy and solar panels. I make that suggestion. I hope Senator Kevin Humphreys approves of this part of my speech. Am I in order to continue or is he going to rule me out or something?

Acting Chairman (Senator Ned O'Sullivan): I ask the Senator not to invite comment.

Senator Terry Leyden: Thank you. I just would have been concerned if that was the case.

Solar panel farms have been brought to the Minister's attention. I am not sure of the economics of it, but I know the Minister's Department is examining it. The Minister might tell us if there is an actual policy in place or if the Department is researching it. There are areas of cutaway bogs belonging to Bord na Móna that I believe would be ideal locations for that type of solar panel farm. I have reservations about using solar panel farms on land that could be used for agricultural purposes. One cannot farm underneath the panels as they are raised from the ground. I ask the Minister to look at that situation afresh on the basis that there is quite a growth in companies trying to contact him. I know that he has been lobbied quite extensively about this. I would like to hear the views of the Department on the benefits of solar panels. For instance, there are obviously going to be major solar farms in the Sahara. That is obvious. However, in our climate I wonder if it can be economically viable to have that type of farm, as it would require a grant and support aid also.

As far as Fianna Fáil is concerned, we fully support and have a strong record in government of introducing progressive measures to tackle climate change. It is the greatest single threat to the future of our children and grandchildren. By contrast, the outgoing Government repeatedly ducked and dived on tackling climate change. Its policies lacked strategic vision and have fundamentally failed. That is why I welcome the appointment of Deputy Denis Naughten as the Minister for Communications, Climate Action and Environment. I believe he has a real feeling

for the task ahead and there is a change of emphasis in that regard.

Agricultural production has been accused of providing gases which are affecting the environment. Those gases have always been present. There is nothing new coming from cows in that regard. We are doing our utmost in plantation. Planting trees and the encouragement of it comes under the Minister's Department also. It is a great support. When we were in government for a period with the Green Party, we became greened in that particular period from 2007 to 2011.

Senator Grace O'Sullivan: Maybe a tinge.

Senator Terry Leyden: They were a help in that regard. There is a Green Party Member present.

Senator Michael McDowell: They were a help.

Senator Terry Leyden: It certainly focused attention on particular areas.

Senator Kevin Humphreys: They helped Fianna Fáil crash.

Senator Terry Leyden: I disagree with the Minister's policy on the elimination of fishing for eel which he brought forward. I am sorry about that because it was not great. However, that is another day's work.

I compliment the Minister who has put forward a very good policy document. I believe he is extremely innovative in what he is doing. He has taken to this task very well. I wish him every continued success in his Department. He is very accessible to the public down in his constituency but also to the industry by supporting initiatives. He very much has an open mind. He has noted the schools suggestion and I know he will look at that situation. Will it be done, will it create more jobs and be beneficial? I think the Minister is absolutely 100%. I congratulate him on getting agreement on the Paris accord and his Cabinet colleagues to agree to it also.

Acting Chairman (Senator Ned O'Sullivan): I thank the Senator for a very broad-ranging contribution. I welcome the presence in the Visitors Gallery of a former Member of both this House and the Lower House, Fintan Coogan. It is very nice to see him back and I hope he is enjoying his visit with his friends.

Senator Michael McDowell: I welcome the Minister and I acknowledge what he has said in his annual transition statement. I note that he has arranged for a written version of this document to be lodged in the Oireachtas Library. I must confess that I consider this transition statement to be somewhat complacent and will set out the reason I think it is complacent. In his opening statement the Minister said the following:

The 2015 Act prescribes that the annual transition statement must include an overview of climate change mitigation and adaptation policy measures adopted to reduce emissions of greenhouse gases and to adapt to the effects of climate change to enable the achievement of the objective of transitioning to a low-carbon, climate-resilient and environmentally-sustainable economy by the end of 2050. The statement must also include a record of emissions of greenhouse gases set out in the most recent inventory prepared by the Environmental Protection Agency, a projection of future greenhouse gases emissions and a report on compliance with obligations of the State under EU law or an international agreement referred to in section 2 of the 2015 Act.

Does the aural version of the report do that? To be candid, I do not think it does. I think it skirts around the issue and engages in a good deal of circumlocution while it describes what has taken place.

I am privileged to be a member of the Oireachtas joint committee that marks the Minister's Department. About a month ago, the other members and I were treated to a very complacent presentation by the Minister's officials. We were told that further work was in progress. To our dismay, about a fortnight after the hearing, the EPA produced a report, which must have been in draft both in the Department and in the EPA at the time of the hearing, that showed that Ireland's position was far worse than the material supplied to the committee might have suggested at first glance. To be clear, this report, dated 10 November 2016, was accompanied by the EPA director general saying in a press release that "Ireland's economy is growing strongly again and that the growth in the number of people at work benefits all society."

She added: "However, we haven't yet achieved a decoupling of economic growth from emissions, something most evident in the transport sector." She later commented: "Ireland is not currently on the right track to meet its 2020 targets, nor is it on the right emissions trajectory to meet future EU targets or our national 2050 decarbonisation goals." That is frank speaking, even if it is quite diplomatic. The Minister has not said that here today. He has not said we are way off target. When one looks at the constituents of how we are off target, they show that agricultural emissions were up in 2015. The most significant drivers for that were higher dairy cow numbers, representing a 7.7% increase. According to the EPA, this reflects the national plans to expand milk production under Food Wise 2025 and the removal of the milk quotas in 2015. Emissions increased by 4.2% in transport and have now increased by 9% in the last three years. We are going in the wrong direction.

It also dealt with the matter of diesel and nitrous oxide emissions. Emissions in the energy industry sector as a result of power generation increased by 5.4% in 2015 compared with 2014. The increase in emissions is largely attributable to a substantial increase in electricity generation from coal, which is up 19.6%, which is almost 20%, and a decrease in natural gas use of 5.5%. Emissions in the residential sector are up 5.1%. Emissions from manufacturing, combustion and industrial processes increased significantly. Cement production was up 13% in 2015. As the country recovers from the slump, all the figures are going very seriously in the wrong direction from the point of view of compliance with our targets in 2030 or 2015.

Ireland's EU target for 2020 is to reduce greenhouse gas emissions from the non-emissions trading scheme sector by 20% on 2005 levels. Ms Burke, the EPA's chief executive said:

The EPA's most recent greenhouse gas emission projections published in March this year, projected that Ireland would not meet its 2020 target, with emission reductions likely to be in the range of 6-11% below 2005 levels. The greenhouse gas emission increases for 2015 in this report suggest that achieving reductions, even at the lower end of that range, will be difficult.

That is diplomatic speak for saying it is abandoned and will not happen. We can wish all we like that things might change but we are on the wrong trajectory. If the EPA's views on this matter are giving us any guidance on where we will be in 2050 or 2030 or to comply with our Paris Convention obligations, all the indications are that we are on a seriously wrong course. In every area our economic growth which we want to achieve and are determined to achieve seems to be coupled directly with increases in greenhouse gas. It is all very well to talk about

electric cars and about people changing from petrol to diesel or diesel to petrol or whatever it is, but if our agriculture sector is going to increase, and the Minister is the first to say that will happen, there must be serious decreases in other areas. If energy production is going to boost our greenhouse gases in the way it is, the people who say they are against natural gases being found either on land or offshore, should face up to the fact that our coal produced energy went up by 20% in one year. These are serious statistics.

Like Senator Terry Leyden, I wish the Minister well in his job. This report does not comply with the statutory duty which is to give us the projections. Where are the projections in what we have heard this afternoon? I do not see projections. I hear diplomatic language being used to cover the fact that we do not have a snowball's chance in hell of achieving the targets we have set ourselves. I do not want to be pessimistic or Cassandra-like and I take no pleasure in saying this, but I became aware of it in the Joint Committee on Communications, Climate Action and Environment, of which Deputy Eamon Ryan, Senator Terry Leyden and I are members. We were given a whole set of statistics about a month ago and within a fortnight we discovered that the real picture was far worse. Today we are not really being given projections which the transition statements are supposed to provide. What may be lurking beneath us in the Oireachtas Library is a real transition statement in which all the projections are set out. If the projections are set out there, they should be up here for us to hear and not left downstairs where we have to find out for ourselves.

Senator Tim Lombard: I welcome the Minister to the Chamber, to which he is becoming a regular visitor. He has been here twice in 24 hours. It is an important step and an important statement that he has made.

I do not know if it will be the process from now on, but it is the first time that we have had annual transition statements made to the Seanad. It is an important step forward for information on exactly where our policies will be going in this very important issue of climate change. It has been stated here today that dealing with climate change will be the dilemma of this generation. This generation has a responsibility to deal with climate change because, unfortunately, if we are unsuccessful and do not deliver, the following generations will be grossly affected.

There is movement on this issue. Trying to achieve targets, whether those in the Paris Agreement or other agreements, will become the major challenge. There was a recession and negative growth. In some regard, that helped us but we have turned a corner and growth has picked up. One can see it on the motorways and roads. We have seen an increase in transport. How we deal with that and a growing economy while staying within those targets will be one of the key issues facing this generation and also the Government.

When one looks at the generational side of things, usage is down 2% nationally, even though we are in a growth phase. That is because we have changed our approach, building habits and guidelines have changed which should be welcomed. If we are to have a real, meaningful change, we have to look at things like micro-generation and where the solar industry will fit into it. We need to put forward a plan regarding the micro-generation element of the solar industry. The Minister said he would bring forward or review guidelines on wind farms.

One of the key issues seems to be solar farms and the lack of planning guidelines in that regard. It is an issue I have raised in the Seanad and the Minister of State, Deputy Damien English, responded that the Government has no plans to bring forward those guidelines. It is one of the key issues at which we need to look.

In my part of the world we have had a spate of speculative planning permissions being lodged for quite extensive solar farms up to 50 or 60 acres. One of the criteria is how close the farms are to the substation. The criteria do not refer to where solar farms should be but to where the connection points to the grid are. It is an issue.

Community involvement and community payback have to be a major part of these things. When one sees what happened in other planning permissions, community involvement regarding a levy for the community needs to be looked at in these planning permissions in the future. We have seen issues regarding the peat and coal generation plans and the proposals that most will be phased out in the next decade. That is the very important element. These are located in rural Ireland, not major urban centres. How we keep employment with this change in processes will be a key issue for us so as to ensure we can move forward. In one way we must reach our targets but in another we must not decimate the communities left behind when these peat and coal plants close.

The Minister touched on the very important issue of food waste. This is one of the key issues in every household and it affects everybody in the State. How we manage and deal with such waste is a significant matter. This will come down to education and changing habits. I see waste even in my household and going around the community; therefore, this is about how to manage that waste. There must be education as to whether food should be thrown out by the date indicated on packaging or whether one can use it two or three days afterwards. We need an advertising programme in order that people can become more involved. Key people in the food industry must become ambassadors for the issue. We can see the amount of food waste that is normal, whether it is from a restaurant or household; therefore, the issue affects everybody on the island. We need ambassadors to champion the cause of reducing food waste, and this will be a real challenge. It will be a key factor in the climate change strategy to know how we can tie a reduction in food waste to the fabric of society.

The growth of the agriculture industry and how it will affect climate change has been alluded to in this debate. It is one of the key concerns, covering areas like the nitrates directive and how the review in the next 12 months will affect water pollution, to how we will deal with gases. When we consider where we are going, there is an aura of insecurity that must be balanced. The next few months and years will be very important.

The Minister might clarify the negotiations happening in Europe on the 2030 proposals. We are halfway through them, but have those agricultural issues come up? How does the Minister intend to deal with them? They are vital for the island and the security for them is very important.

Senator Fintan Warfield: I welcome the opportunity to make a statement on climate action and low carbon development. The transition document sets the context for why we are here today and this is not a matter that can be kicked to touch or down the line. The threat to the environment, public health and economic prosperity is very real and without a radical change in the economic and environmental approach of government, human misery, war and ecological deterioration will reach levels never before witnessed. I listened to President Higgins speak on the rise of the global south, which is a defining shift in our time. Ireland and our global diaspora have a role in supporting and welcoming that shift. We should be proactive in engaging in that dialogue, as a very real and transparent commitment to climate change can be the result.

Senator Michael McDowell mentioned that austerity and the economic crash has been the

single biggest factor in reducing emissions in Ireland. It has not been the action of this or previous Governments. The Minister has personally expressed confidence that Ireland will meet its 2020 target of 40% of electricity being generated from renewable sources such as wind, solar, biomass and so on. Should we fall short of those targets, what does the Minister believe will be the reasons for our inability to meet them? What are the repercussions for the State?

Given the Minister's confidence in meeting those targets, is it his intention to diversify renewable energy generation by allowing an equal playing field for solar energy technology development? Under the public service obligation, the current projection is that for nearly 3,000 MW of renewable energy €335 million will be received in 2016 and 2017; we can compare that figure to the €140 million that will be received for 250 MW of energy from fossil fuels. This means that the fossil fuel industry benefited from a huge €386 million subsidy last year. That is €11,000 per megawatt for renewable power and €56,000 per megawatt for fossil fuels, or five times as much per megawatt. In the case of wind energy, biomass, hydro power and biogas there are feed-in tariffs but not in the case of solar energy. It is a technology really suited to community and local participation with active citizenship.

It has been mentioned that last month the Environmental Protection Agency launched its environmental assessment report, outlining a number of areas that need a renewed focus by the Government. These include air quality, water pollution and climate action. A particularly shocking statistic is that poor air quality in towns and cities causes more than 1,200 premature deaths per year. That is clearly down to an increasing number of cars on the roads, combined with the burning of solid fuels for heat and energy.

We are calling for a greater sense of urgency in reducing our dependency on fossil fuels for energy, heating and transport. It is imperative that the Government address all of this by fully implementing the Climate Action and Low Carbon Development Act while laying out a very clear roadmap of how Ireland will reach its emission reduction targets from 2020 to 2050. We cannot stress enough the need to include the sectoral targets in the Government's climate action plan, for which Sinn Féin called to be included in the 2015 Act.

Given that this transition statement comes a year since the passing of the Act, I was reflecting on where we were just one year ago. I recall a statement by the Taoiseach that Ireland "is driving economic and environmental efficiencies in agriculture and achieving results". That statement is perhaps an untruth and at least open to question. The agrifood sector is really important, as we know, and we are producing food for many countries. If we want to achieve the success spoken about by the Taoiseach we must develop more sustainable farming areas. The sugar industry is one example. The beef and dairy sectors are important and should be protected but our over-reliance on beef and dairy leaves us extremely vulnerable, as we all know, in meeting our international commitments. My understanding is 37% of the farming community are economically viable, amounting to 30,000 farmers, and that if one removes the single farm payment, the number of farmers who are economically viable are 15,000. Energy production can add to the sustainability of that industry, but this can only happen if the likes of feed-in tariffs and connections to the grid are facilitated.

The Paris Agreement means that Ireland must immediately embark on a rapid and just transition to a carbon-free future. I note the Minister will shortly publish a preliminary consultation to inform the preparation of Ireland's first mitigation plan but could we have the timeline for the publication of that draft? The Minister might indicate if this will phase out fossil fuels and if it will harness the positivity of active citizenship, as I mentioned, by facilitating and kick-starting

community ownership? Where does the agriculture sector fit into that mitigation plan? Does the Minister truly accept that if we are to be honest with ourselves, any mitigation plan must be about transforming every aspect of our lives on this island and planet? It must be about transforming the way in which we live. Capitalism will continue to prey and advance over the last expanding frontiers of the earth. It is as if we accept the environment will not only continue to give in abundance but sustain us also. It will not and nothing will be possible on a scorched earth.

Senator Grace O’Sullivan: I thank the Minister, Deputy Denis Naughten, for coming into the House. This is an area of particular interest to me. I do not know if the Minister is as old as I am, but in the mid-1980s I had the opportunity to go to Antarctica and in 1989 also.

Deputy Denis Naughten: I was in short pants.

Senator Grace O’Sullivan: Even then we were starting to hear of the concept of climate change and the impact it would have on small Pacific nations and also throughout Europe. In Ireland we see it in many shapes and forms.

I believe we may be approaching the perfect storm because we have the issue of climate change, which is high on the agenda, Brexit, Mr. Trump becoming President of the United States, and the result of the recent referendum in Italy. It appears that there is a huge storm looming and it is particularly pertinent in respect of climate change.

I am pleased that we are addressing the issue of climate change more in Ireland. The Minister has a genuine interest in the area. Following the recent COP22 climate meeting in Marrakesh, the Paris Agreement is now fully in effect, which is very welcome. The world finally seems to have woken up to the scale of the problem facing us, even if some Members of the Dáil appear to be asleep in that regard. There is a commitment to taking action, albeit action that is not equal to the task of holding a rise in temperatures to 1.5o. In the case of Ireland, we have clearly fallen at the first hurdle and we look ridiculous internationally because we have failed so abysmally. The political progress is to be welcomed, but it is not fast enough, especially in terms of the impact of climate change on future generations.

The Paris Agreement commits us all to tackling not just the low hanging fruit of climate policy, much of which has already been taken. We now need to delve deeper into our reserves not only of renewable energy but also of ingenuity, creativity, innovation and resolve.

Taking strong action to tackle Ireland’s contribution to this global problem contains as much potential for development and growth as it does sacrifice and challenge. A renewed economy, freed from the shackles of increasing greenhouse gas emissions, truly seems to be within our reach. Last year, the economy of the European Union saw modest growth. However, for the first time ever, it was accompanied not with the usual attendant increase in emissions but rather a further decrease in those emissions. The European Union is on course to meet its collective commitments under the 2020 climate and energy package, and there is a sense that Government policy can and does have the desired effect of lowering our impact on the climate. A carbon neutral Ireland can be a greener, more pleasant land and a country filled with jobs in renewable energies, to which the Minister alluded, green technology, research and development and renewable transport systems that enhance communities and improve our health and well-being.

We have imports of fossil fuels of approximately €6.5 billion, according to the Environmental Protection Agency. Our current fossil fuel based economy is instead delivering shorter

lifespans, negative health impacts, an unhealthy obsession with the combustion engine and a fuel bill of €6.5 billion for the economy each year. That is a massive drain on the balance of payments and a huge waste of public money. Oil prices are low in historical terms, but we know from the early 2000s that this will change again after an extended period of economic growth, as we are currently seeing in Ireland, or if current hints at production controls from OPEC prove to be founded.

Greenhouse gas emissions are almost always found accompanying other forms of pollution. Car emissions are coupled with dangerous levels of particulate matter. Power plants release many different types of air pollutants, and we are only now learning the true effects of marine and aviation air pollution on human health. Changing the way we organise our society is not a burden. It is an incredible opportunity to address many issues. A more communal approach to energy and to transport can contribute to a more cohesive and active community spirit throughout the country.

We are seeing across the world the dangerous effect that increased carbon dioxide is having on the marine environment. I refer to the coral bleaching on the Great Barrier Reef. Climate change mitigation is the ultimate in risk assessment. One universal truth we have learned throughout the process of learning more about climate change is that its effects can never be fully anticipated.

In Ireland the ratio of spending on cars versus active transport, that is, cycling and walking, is dangerously skewed towards the car. Ireland does have special circumstances, namely, a dispersed population and lower densities, but this cannot be addressed by adding to the problem with Government investment. Sadly, to date, the Minister's colleague, the Minister for Transport, Tourism and Sport, Deputy Shane Ross, has shown no appreciation of that fact and no intention of amending this long-standing policy.

Despite progress, our energy model remains hopelessly mired in some of the oldest, dirtiest and least efficient methods of energy generation. The ESB is planning to continue burning peat until 2030. Renewable energy plans remain limited to large-scale wind developments, and there is little to no scope for the inclusion of the community sector in small and medium-scale energy generation.

Ireland has long touted itself as the greenest beef producer in the world, but being the best at producing food inefficiently is problematic, to say the least. It takes many times the energy, water, labour and other inputs to produce calories as meat as it does through any other method. Less than 1% of Irish farms are actively involved in the growing of fruit and vegetables, resulting in massive energy-wasting imports from the rest of Europe and elsewhere. We need to have a mature debate on the effects that such inequalities have on the soil, our climate and farming communities.

Ireland has not lived up to its international role on the global stage either. Last year we had to observe the indignity of the leader of the country going to the Paris climate talks to plead for special treatment for Ireland.

Irish citizens can and will play their fair part with regard to the issue of climate change. Ireland must live up to the rhetoric. That means nothing less than a radical transformation of the way we organise our society, plan cities, farm in rural areas and produce power. We need to see the Government taking true action.

I agree with Senator Michael McDowell. What he said was aspirational. I am concerned that what we have today is not sufficient for the size and the scale of the problem of climate change facing Ireland, Europe and the world.

Senator Joe O'Reilly: I commend the Minister, Deputy Denis Naughten, not only for his frequent appearances in this House but also the competence and enthusiasm he brings to his ministry. That is important and welcome.

I agree with the view advanced by Senator Grace O'Sullivan that a consensus is emerging in this Parliament and throughout the country. There is an agreement, with very few dissenters, on the science in terms of what happened in recent winters. The United Nations accepts the science and there is anecdotal evidence. Consensus has emerged that there is a major problem, that the impact is extraordinary and that the result of not acting on this would be perilous for humanity. There is no dispute about that. There is little dissent and that, in itself, is positive. The consensus must be of assistance to the Minister in doing his job.

There are so many facets to this issue. I will offer one quirky point. I undertook a little checking before coming to the House. One of the results of climate change is a reduction in the bee population in the world. This is a serious reduction and it constitutes a threat to global crop production. Apart from the rising seas and the extremes of weather etc. the effects are extraordinary.

I will address some practical points to which I would like the Minister to respond. I call on him to set out where he is at and his response in terms of actions and when those actions might take place. It is accepted now that there is a need to expedite the numbers and use of electric cars. What plans does the Minister have in this area to incentivise the use of electric cars? Have we done a cost-benefit analysis in respect of climate change and favourable VRT or taxation rates? It is a question of whatever incentives we can use to get electric cars to be acceptable or used on a wide basis.

The area of insulation grants and retrofitting is important. The Minister referred to quality of life. I come from an area similar to his and that of my good friend, Senator Terry Leyden. In the constituency in which I live, there are several people in older houses. Despite all the new and exotic houses that have been built, there are still many older houses that have not been properly insulated. They are not heat preserving or good at maintaining heat. The quality of life for the people in these houses would be greatly enhanced by grant aid and a more aggressive campaign in this area. Perhaps I am missing something, but I am unsure whether the schemes have registered yet in the public consciousness or whether there is sufficient take-up. I am unsure whether the schemes are sufficiently accessible or attractive. I call on the Minister to respond to these points. I would appreciate it as a practical step. At the end of the day, this has to be a series of practical steps. We have accepted the broad philosophy and the ambition. We accept the targets, etc. Now it is a question of how we do it.

The co-operatives throughout Ireland have been successful in the past and there is a long-standing tradition. This is clear in the Minister's area and in mine, as well as throughout the country. There is great potential for co-operative wind turbines and I am keen to know what we can do to advance it. They could keep a community in alternative energy and have a level of micro-generation at that level also. If the turbines created surplus energy, the co-operatives could benefit from the sale of the surplus to the grid. Similarly, if individuals had micro-generators in their houses they could benefit also. Community wind turbines have great effects. I

take the point made by Senator Terry Leyden about schools and support that view. The county councils and local authorities can do a great deal more.

A good deal of local authority housing stock is not yet sorted or retrofitted. I commend to the Minister the idea that this should become a major priority.

I agree with the Minister that the potential of solar panels has not been fully exploited for individual use nor has it been fully marketed.

My final point relates to waste. I know from public and private briefings from the Minister to the committee that he is going to address this issue. I am keen to hear his response on what can be done to reduce waste. We know that it was the source of a 13% increase in emissions in that sector last year.

The use, expansion and funding of the green low-carbon agri-environment scheme, GLAS, is the way to go in agriculture. It is acceptable to the farmers. It provides motivation and incentivises them. It is a question of the way they respond and they are responding well to GLAS in terms of take-up. We need to expand on it.

Senator Kevin Humphreys: I welcome the Minister. This is an important and landmark day. I hope this is the start of when we begin to take climate change seriously. Important legislation was passed. Senator Paudie Coffey was in the Department when it went through. It is important that we have the Minister in the House today. It is important that the Minister ensures his colleagues at the Cabinet table make the same statement. We cannot deal with this through one Department. There has to be a whole-of-government approach. The Minister is welcome.

Senator Michael McDowell said the Minister had not fulfilled the full obligations of the legislation. My former teacher, Senator Joe O'Reilly, spoke just now. He probably would have described the performance as a C+ grade, in other words, that we can and must do better. We have little time left.

Senator Terry Leyden: The Senator must have been a child in junior infants when Senator Joe O'Reilly was a teacher.

Senator Kevin Humphreys: We are on the foot of 15 of the hottest years the planet has seen since records started. It is five minutes to midnight. We have to put the vested interest groups outside the door and start making real practical decisions that will make a difference. Although we are a small country, we can show clear leadership in this regard and that is what I expect from the Minister. I expect clear leadership without being influenced by vested interests.

I offer one example. The Minister covered this, but the public sector spends approximately €600 million on energy. We have examples of best practice. In 2014 Tallaght hospital set out to save 18% of its energy use over three years and succeeded. This equated to €4.3 million or 18 acute hospital beds. Therefore, it is in the interests of other Ministers to work at this. The Minister referred to schools. There has been a compulsory energy monitoring programme in place in schools since January 2015 but, unfortunately, it has not worked. We cannot pile more and more work on top of principals without giving them the necessary resources. There are major opportunities throughout the public sector to reduce our energy, but the resources must be given in a real and practical way. I call on the Minister to look at the schools in a different way. The green flag system works well. Perhaps we should integrate it in some way.

Although we need to continue phasing out fossil fuels, we have started to increase our coal and peat use for generation of electricity by 19.6%. That is totally unacceptable when we are talking about phasing out electricity generated by peat. Peat generates 9% of our electricity but counts for 25% of pollution from electricity. We cannot afford to wait until 2030. We need to move now. The sector has been subsidised by €130 million. We need to get on and do something about it. We need to plan for the closure far quicker and ensure that the employees have a future. We can look at how we can invest in that regard. The Government is putting in a subvention of €130 million per year. That money could be invested in alternative employment for the workers in those peat generation stations. Peat is of itself an important carbon sink. That has to be taken into consideration.

I am not convinced that biomass is the correct way to go. The question needs a little more research because we cannot generate that level of biomass within the State for the power stations. Are we talking about importing biomass? We need to take a close look at that issue.

We have to bite the bullet at Moneypoint. The Minister is going to have to say we are going to close it. It is a tough and difficult decision but we have to plan for its closure. Generating electricity from dirty coal is no longer sustainable or acceptable and vested interests must not be allowed to rule or interfere in such judgments.

With regard to showing some kind of leadership, climate experts have calculated that in order for the world to meet the Paris Agreement targets, we will have to leave the majority, that is, 80%, of all existing discovered fossil fuel reserves in the ground. That is scientific fact. I suggest Ireland should show some leadership in this regard. We currently invest €133 million in oil companies through the Ireland Strategic Investment Fund. I ask the Minister to suggest to his Cabinet colleagues that we withdraw that €133 million that is invested in oil companies drilling for fossil fuels. We should take a moral decision and not invest in those areas any longer.

The one thing we have really failed on is transport. I very much look forward to seeing the Minister for Transport, Tourism and Sport, Deputy Shane Ross, in the House and talking about his brief rather than about judges. Transport emissions are still higher than they were in 1990 and there seems to be no leadership in regard to transport reduction and changing the model of public transport.

With regard to solar panels, we need a rooftop revolution, as it was described in one email to me. There are many householders, farmers and businesses who could install PV panels to generate electricity with very little negative impact. However, we need a guaranteed payment for microgeneration, including the solar service.

The Minister mentioned the clean air strategy. We cannot allow the move to diesel fuel to continue. Prior to the budget, the Department of Finance indicated that the differential between petrol and diesel is too great. We will have vested interests that will knock at the Minister's door to say they cannot change this and that we have to give the benefit to diesel. Given the way we have done this, 50% of all car purchases are now diesel cars.

Deputy Denis Naughten: It is more.

Senator Kevin Humphreys: That is having a drastic and detrimental impact on air quality in cities and towns. One thing that could be done quickly is a phased move away from diesel cars. We have to move quickly because hospitals will fill up if we do not.

A zero waste management plan for restaurants has been successfully piloted in London. It involves reducing portion sizes and a planned mechanism whereby restaurants involved in the pilot scheme no longer send any of their food waste to landfill sites. We have to do this also, in co-operation with the relevant services.

Acting Chairman (Senator Gerard P. Craughwell): I call Senator Lynn Ruane. As there is only a short time remaining, she might share the remaining time with Senator Michelle Mulherin.

Senator Lynn Ruane: I will.

I welcome the Minister. I would like to speak on the divestment of investments in fossil fuels and the movement we are seeing developing globally, which has begun to find success in Ireland recently. I applaud the work of the Fossil Free campaigning group from Trinity College Dublin, which, after a well executed campaign, has received a commitment from the college authorities that the university will now divest all investments in fossil fuels. I was delighted, in my role as president, to be able to facilitate the first conversations and the open and transparent communication that happened between the students and the board of Trinity College Dublin. I urge other institutions to follow suit in regard to engagement with students who know this area and to take on board their expertise. A press release today from NUI Galway shows its president is now committed to working towards divestment and I hope his college and colleagues will row in behind it.

The matter I want to raise draws from and seeks to capitalise on the momentum that has been established by the decision of Trinity College Dublin to divest. The Ireland Strategic Investment Fund has over €100 million invested in fossil fuel stocks. I call on the Minister to consider divesting those investments and committing to a 100% renewable energy policy. Such a move would be in line with the commitments made by the Government under the Paris Agreement, which seeks to limit any increase in global warming to 2° Celsius and recognises the catastrophic effect of any increase beyond that limit. If the Government was to take this divestment step, research conducted by Oil Change International shows that fossil fuel companies will not be able to burn all of the fossil fuels they are currently extracting from fields in operation. Such a step could allow for the creation of a carbon bubble, whereby fossil fuel companies will not be financially able to open new oil, coal and natural gas fields, with the result that investments in these projects will subsequently be devalued and become stranded assets. This will mean less cumulative carbon emissions and the Government will have played a substantial part in meeting its commitments under the Paris Agreement. Moreover, if the Government had taken this move in 2015, it would have made a €22 million profit; therefore, there is also a financial argument to be made, as well as a moral and environmental one.

We are all aware of the potential for devastating impacts of climate change in the coming decades. It is always the case that climate change affects the poorest people in the world first. The appeal I am making is supported by organisations like Trócaire which work with people in less developed countries who are already facing huge struggles posed by climate change. Even in Ireland, we have seen how flooding has affected citizens and the economy in recent years and this trend will be exacerbated unless we act quickly and decisively to restrict emissions. Moreover, a study of the ISIF's investment portfolio in 2015 showed it had over €100 million in fossil fuel companies. To continue to invest in these fossil fuel companies is to knowingly invest in those emissions and their potential impact. Moreover, the ISIF's sustainability and responsible investment policy places significant importance on climate change and acknowledges

the important role of investors in tackling climate change and the mandate of the fund to align with the Government's decarbonisation commitments. It is also very clear that now, more than ever, is the time to divest. The ISIF is carrying out an ongoing review of its own investment strategy and makes a divestment goal even easier to include in the strategy.

Senator Michelle Mulherin: I thank Senator Lynn Ruane for facilitating me.

I welcome the Minister. Everybody is speaking towards the fact that the issue for Ireland and the world is global warming. It is welcome that the Paris Agreement was arrived at and that much more conversation is taking place around climate justice, stopping global warming and carbon emissions and diversifying our dependence on fossil fuels. I see many celebrities are lending their names to the campaign and we have our former President, Mary Robinson, as a climate justice ambassador; therefore, there is much discussion at a high level. Nobody could disagree with the general principles that are being enunciated about our responsibility to live more sustainable lifestyles and not to keep operating as such a consumer society, buying stuff for half nothing in the shops and then discarding it, with the costs being externalised in the environment and in Third World countries, from where the products are coming.

This conversation has been ongoing for a long time, as noted by several speakers, but I hope we can begin to advance it further. I feel very familiar with this issue, living in an area that has high wind speeds, biomass potential, wave energy potential and all the rest, and from seeing issues around delivering energy projects. We never seem to get into that space. There are two issues challenging us, the first being community in the sense of how we live but also how we put infrastructure into communities, and the other, the cost. We would be having a more advanced conversation about how we achieve those objectives instead of having the same conversation over and over again. I have been at so many committees and was previously on the environment committee. We seem to be rehashing the same conversation and simply repeating that we need to do something. I think pragmatic politics is required and I believe the Minister is a pragmatic politician.

With regard to communities, it is all very well to say we should shut down peat burning power stations, but it would be absolutely devastating for the areas affected. We know that it costs the Exchequer, but there are not many other employment opportunities. I heard a great deal of debate about Edenderry and heard An Taisce and the Green Party giving out to the Government. In all the time that I have heard about proposals for renewable electricity generation projects, whether a wind farm or a biomass power station, there has never been a comment on where they should be located. Coillte made an application for a wind farm with a transmission grid at Cluddaun, near where I live. An Bord Pleanála refused permission because it was over-industrialised. How can it apply for something that scares the living daylights out of communities? Why is there not more emphasis on microgeneration? Biomass would create employment in rural areas where it can be grown as well as generate electricity. I know that the Minister shares this mindset.

On the urban-rural divide, I have heard many people who live in cities talking about what we should do but they should try being at a meeting with 700 people who do not want something to happen. I have never heard An Taisce saying where the wind farm or power station should be put. If people are serious about delivering on electricity targets, that is the conversation we should be having, not saying the Government is terrible because it is not doing something about farming. Human beings are affected. The same is true of the carbon tax, levying the poorest people who buy coal and cannot afford wood-burning stoves.

Acting Chairman (Senator Gerard P. Craughwell): I have been fair to the Senator. Perhaps she will be fair to me.

Senator Michelle Mulherin: As the Acting Chairman can see, I am very passionate about this issue.

Acting Chairman (Senator Gerard P. Craughwell): I can indeed.

Senator Michelle Mulherin: I would like to see us make progress on it. We need to get real in our conversation about it.

Acting Chairman (Senator Gerard P. Craughwell): I apologise to Senator Paudie Coffey, but there is no time left.

Minister for Communications, Climate Action and Environment (Deputy Denis Naughten) : I acknowledge the presence of Senator Paudie Coffey who steered this legislation through the House.

I smiled at Senator Michael McDowell's contribution. The document was here in the House, but leaving that aside, in my contribution I said there was a shortfall. I also acknowledged that we would not reach our 2020 targets. However, I also said, "This shortfall reflects our constrained investment capacity for over the decade between 2008 to 2019 due to the economic crisis, including the impact of the troika programme and the EU fiscal governance requirements." I am sure the Senator can think back to how we ended up in the situation in the first place. It would have made things much easier if we had had the capacity to carry out the investment we needed to carry out.

I encourage Senators to read the annual transition statement. This is the first statement, it will be built on and we have a lot of work to do. I would love to be here to outline some of the proposals in respect of the mitigation plan, the renewable heat incentive scheme, the climate change dialogue, the public sector energy efficiency programme, the clean air plan, the broadband strategy and the bio-energy initiative, which I will have in the coming weeks. I do not have them today, which is as frustrating for me as it is for everyone else.

I will deal with as many of the issues raised as I can in the time allowed. I thank all Members for their contributions and constructive ideas. This is the first statement. The legislation was passed only 12 months ago. I have been a Minister since May. I have been Minister for the environment since 27 July. We are all involved in this process. Since becoming Minister I have said consistently that we need to acknowledge the issues Senator Michelle Mulherin raised because there is no point lecturing people unless we try to bring communities with us, whether it is a question of microgeneration or how to bring people along in respect of peat-fired power stations.

I have listened to the Green Party and An Taisce, but I was the only one who said before the general election that we needed to convert peat-fired power stations in my constituency, as Senators Michael McDowell and Terry Leyden will acknowledge. I took the brave decision because it was the right thing to do. We have to bring people with us and work with them. It is not a case of lecturing them or, as Senator Kevin Humphreys says, shutting down the statins tomorrow morning. There is a transition involved and there are 1,800 jobs and families involved in it. People say we have to find them alternative jobs. How easy is it to find alternative jobs in, or bring them to, the midlands? We have to find a solution. Part of the reason Donald

Trump was elected in the United States is that the approach taken here of lecturing people was taken there and many in the coal mining regions said “stop” and voted for Donald Trump. We need to acknowledge the social implications of what we are proposing and how to nuance these issues to bring people with us. It is not a case of not going down this road because we have to and we have to do it quickly.

Microgeneration is crucially important and many Senators raised it in the context of solar farms. Senator Tim Lombard mentioned the planning regulations. They need to be put in place. I acknowledge the point made about Sliabh Bawn and my view of that project is in the Official Report of the Dáil and the Oireachtas Joint Committee on Communications, Climate Action and the Environment, that we must put the regulations and standards in place and work to them.

Senator Terry Leyden spoke about solar energy in schools. He is right and we are considering it but part of the difficulty is that they need access to the grid because the use of electricity in schools at the appropriate times does not warrant the investment in terms of the payback. We need a grid that allows microgeneration onto the local grid in order that the local shop, post office or other houses in the community can avail of it.

As an aside, in respect of An Post, we must either consider increasing the cost of the postage stamp or reducing the postal delivery service. There will be a full debate on this issue. People who push for maintaining the existing price of the stamp need to be able to justify and explain to communities throughout the country why the postal service will be reduced from five days to four or three days or maybe no service at all.

Senator Michael McDowell spoke about emissions going up. He is right and the trend is wrong. He criticised the fact that the Environmental Protection Agency, EPA, report came out after the presentation was made to the committee. I did not see that report until it was published. The officials did not see it in advance. We do not have access to it. The EPA is independent. An advisory council has been appointed to the EPA. The Senators will get an idea of my thinking if they look at its membership. It is made up of environmentalists, farmers, young people and a majority of women because they are the key groups who will drive the change in communities. They are the ones with whom I want to work to change the agenda and the focus of the debate. Let us all start working together. Senator Lynn Ruane mentioned divestment, which is a valid issue which the Department of Finance is examining. This is not her Government; it is ours and more than any other it is the Parliament’s Government. It is dictated to by Parliament. Let us all work together.

I look forward to the input of all Senators in that regard. I hope we can have a broader debate and that I will have the opportunity to respond to every issue raised by them. I thank them for their time.

Public Bodies Review Agency Bill 2016: Second Stage

Senator Pádraig Ó Céidigh: I move: “That the Bill be now read a Second Time.”

Tá fáilte roimh an Aire. Tá sé an-deas é a fheiceáil. Is é seo an chéad uair dó ar ais sa Seanaid le píosa, de réir mar a thuigim.

I welcome the Minister and his officials to consider this Bill which is of the utmost impor-

tance in supporting the integrity in how State and semi-State bodies operate and achieve their relevant objectives in a coherent and focused manner. I also look forward to a positive and constructive debate and direction on the substance of this legislation whereby the contributions by colleagues both challenge and strengthen its primary objectives. I thank my colleagues, Senators Michelle Mullen and Gerard P. Craughwell, for co-sponsoring the Bill. I also acknowledge Senators Joan Freeman and Michael McDowell for seconding the Bill. We, as legislators, have been entrusted to ensure that the State functions effectively and is relevant to the maximum benefit of the people in an effective, transparent and informative manner.

The primary purpose of the Bill is to create the public bodies review agency, the function of which will be to independently and professionally evaluate the relevance and effectiveness of State and semi-State bodies at least once every seven years by reference to international best practice. The agency will then report back to the relevant line Minister, as well as to the Minister for Public Expenditure and Reform with findings and recommendations. Both Ministers will then have 90 days to issue a joint response and put forward an action plan indicating how they will implement those recommendations. This report will be available to the public and could be of particular benefit to the workings of the relevant Oireachtas committees, as well as to both Houses of the Oireachtas. If the legislation is enacted, the agency will be tasked with ensuring that public sector bodies are independently and regularly reviewed to ensure their statutory remit remains relevant and is adapted, where necessary. The agency will also review how effectively the public sector body executes core objectives. With the exception of the statute law revision initiative, the State does not have a practice of systematically reviewing legislation. This means that when a new law is enacted, we rarely take time to look back on its effectiveness or its current relevance.

This is also true with regard to all of the legislation under which public bodies have been established. A significant number of State and semi-State bodies have been created under legislation enacted well over 30 years ago. Irish society has changed significantly since, yet we do not have an effective independent means to ensure those statutory bodies and other organisations have a relevant and integrated mandate to provide real and meaningful benefit for the Ireland of today and tomorrow. There are more than 250 public bodies in existence across 16 Departments. A total of 62 agencies have been terminated since 2010. For the vast majority of those terminations, the functions previously carried out by the agency were transferred or merged into other organisations. A total of 25 new agencies have been created since 2010. Of these, 14 are primarily the result of mergers of older agencies or the transfer of all functions to a new agency, while 11 are new agencies. I am not generally in favour of the establishment of new statutory bodies. However, in this instance, the establishment of a new body is the most effective means of ensuring we have the infrastructure necessary to systematically review and provide objective proposals on the existing stock of public bodies. The body which would be established under this legislation will yield millions of euro in savings on an annual basis, thus ensuring that its cost will be far outweighed by the benefit it will bring.

In its review of the public service in 2008, the OECD found that the process of agency reform had coincided with *ad hoc* expansion of the organisational complexities of the State. As part of the public service reform plan 2011 to 2013, an agency rationalisation programme was announced and put in place, aimed at making a contribution to the overall reform objective of delivering a public service that is more efficient and integrated. The Institute of Public Administration Research Paper No. 18 of March 2016 provides an objective review of national non-commercial State agencies in Ireland between 2010 and 2015 and states: “There is no clear

relationship in Ireland between an agencies legal mandate, size of function and the form of governance adopted”.

Before setting out on the journey of preparing this legislation, I drew some comfort from a pledge in A Programme for a Partnership Government:

We will empower frontline service providers to make more decisions, encourage more collaboration between public service bodies, and between the public and private sectors, and reward public service innovation and change. We will also reform the public sector, more generally, to ensure more accessible public services.

A number of other jurisdictions have introduced a law similar to what I am proposing, in particular, the United States and Australia. Closer to home, the National Oversight and Audit Commission is a statutory body which was established under section 126B of the Local Government Act 2001 to oversee the local government sector. The local government efficiency review implementation group was established by the Minister for the Environment, Community and Local Government in April 2011 to oversee the implementation of a series of reforms. In its second progress report in 2013 the group reported that €561 million in savings had been achieved between 2010 and 2012. Its key objective is to achieve an annual saving of more than €500 million. The Bill adopts much of the structure and strategy of that group and, therefore, the proposed agency is not unique or a one-off. The agency has broadly similar objectives but it is concentrated on State and semi-State bodies and has the potential to be the catalyst of similar, if not greater efficiencies.

The Department of Public Expenditure and Reform’s new code of practice for the governance of State bodies will have implications for such bodies, which will lead to positive change, but I believe more can and should be done. The objective of the Bill is wholly consistent with what the Government has pledged in terms of public sector innovation and change and the Minister’s passion and commitment to work on the reform of this area, which I very much respect and appreciate. We do not need to spend millions on third party consultants in providing a stream of reports on the efficiencies, or lack thereof, of the various public bodies under our direction. We can achieve far better and more effective results ourselves and this Bill will go a long way in that regard. We owe it to the excellent people working in State and semi-State bodies to support and encourage a world-class working environment. This is intended as much for them as it is for us and the general public.

I hope I have given the Minister a good sense of the rationale behind the Bill and an outline of some of its key provisions. I ask him to support it and recognise the potential it presents to streamline, in a structured and coherent way, the public sector and ensure that it will continue to be fit for purpose.

Senator Michael McDowell: I support the introduction of this legislation. At first blush, one might ask why we need a quango to supervise quangos. Senator Pádraig Ó Céidigh is mindful of this potential criticism. However, I point out, in favour of what he said to the House, that we have a habit in this country of establishing bodies and allowing them to proceed. Some 15 or 20 years ago there was a root and branch re-evaluation of such bodies. There was Colm McCarthy’s an bord snip nua which examined bodies from the ground up and asked whether we needed them any more and what useful functions they carried out. A series of agencies have cropped up from time to time, many of which, as Senator Pádraig Ó Céidigh said, have in recent times been realigned, reconfigured, merged, de-merged and so on. In the area of health we have

bodies such as Tusla, the HSE and a series of other agencies that have come into existence. At the same time, other bodies have gone out of existence such as the health boards, etc. Senator James Reilly, when he was Minister, made it very clear that he wanted to get rid of the HSE completely, but he did not quite achieve it. It is still there in ghost form. All kinds of other agencies may or may not be the subject of future amalgamation or the like. The crucial matter to which Senator Pádraig Ó Céidigh is drawing the House's attention - I do not know whether he will get the support of a majority of Members on this occasion - is that of questioning, on a periodic and methodical basis, what State and semi-State agencies are doing, questioning and re-evaluating their roles and questioning whether they could do their work better. Even if the process he has described were carried out by someone in the State other than a new agency, the value of what he says is very clear. On one basis, the Minister's Department is such an agency if one considers it in that way. However, does it evaluate every other agency every seven years and ask the hard questions of each agency in such a methodical way? Does every agency of the State know that the Department of Public Expenditure and Reform will come after it and ask it why it still exists, what useful functions it carries out, whether other people could better carry out its functions or what transformations or reforms are necessary for it to carry out its functions more effectively?

Another way of considering the matter would be that these functions should be vested in the Oireachtas and that Oireachtas committees should challenge the very existence of the State bodies that come before them. I am a member of a committee which has had representations from the Environmental Protection Agency. Senator Pádraig Ó Céidigh and I were discussing this earlier. Nobody is suggesting at this stage that we can do without the Environmental Protection Agency, but I wonder will the committee ever examine the effectiveness of that organisation and ask it to justify how it best makes use of its resources and so on. I do not think we have that mindset. Senator Pádraig Ó Céidigh's Bill is designed, in the first instance, to focus our minds on the necessity of rethinking, on a consistent basis, the necessity for and the adequacy of the agencies we have established.

Agencies can be considered from another point of view. Let us examine the position of county councils. Do they share functions such as, for example, payroll and finance functions? Is it necessary for two county councils side by side to have people carrying out effectively the same function in two different organisational structures? Why should two county councils not share payroll functions? Why should they not share, for instance, recruitment and human resources activities? There are many ways in which we just go along with the old routine. I am sure the Minister's Department allocates much time trying to persuade agencies to ask themselves whether they could share these services and whether they do so adequately. On the Housing Finance Agency, I recall looking at a big building near the Luas station at Milltown in Dublin and wondering what went on in that building and why it was there. Perhaps it is still there. I do not know whether the agency sold those premises. It occurred to me that this was an agency established at a different time and pursuing different policies. Perhaps we still need a Housing Finance Agency. Perhaps it still carries on useful functions. However, the sense in which every State agency had to go through a periodical evaluation of its utility, efficiency and overall function seems to me to be lacking. I would very much like to hear the Minister's response to these matters. Perhaps, reading the newspapers, I am unaware of wonderful things that are happening. Perhaps the Minister's Department constantly evaluates every aspect of public expenditure to carry out these functions. However, I have a funny feeling there are many backwaters in public administration onto which the torch is not often shone and where people are left to their own devices.

I welcome Senator Pádraig Ó Céidigh's bringing of this matter to the floor of the House. I expect people will express contrary points of view. I would say the Senator also expects that. That said, the principle is important: either the Parliament itself, the Department of State in charge of public sector reform or an agency such as that proposed by Senator Pádraig Ó Céidigh on this occasion does this work or it should be somebody's job to ensure we get value for money for all of the agencies we have established. I am not against the public service or hostile to it. Neither, in any of his remarks, has Senator Pádraig Ó Céidigh evinced any hostility to the public service or public service agencies as such. However, it is the case that we see in the private sector companies going out of existence. Shareholders ask what a particular subsidiary is doing and whether they need it any more. There should be a similar spirit regarding public sector agencies, not with a view to throwing people out of their jobs but rather in the context of ensuring we get value for money, that we achieve our strategic aims in respect of a decent and vibrant public sector and that this process will go on constantly. I am pleased in that context to second Senator Pádraig Ó Céidigh's Bill.

Senator Michelle Mulherin: I welcome the Minister. I also welcome the opportunity to discuss the way in which we monitor and evaluate the effectiveness of public bodies as they carry out their work in order that we can be assured they do not operate in splendid isolation. It is good to have this debate as it affords the Minister an opportunity to clarify the matter. Accountability and transparency are the basis of democracy, a state for which we strive all of the time. Without a doubt, we have some of the brightest and most talented people in the country working in the public service and the Civil Service. It is the responsibility of Parliament and the Government to ensure the framework within which public and civil servants operate is as efficient and effective as possible. We must also bear in mind the objectives of legislation pursuant to which the services were set up, which is generally to serve the public interest.

It is worth highlighting that a lot of steps have been taken towards the objective Senator Pádraig Ó Céidigh seeks to achieve. In 2011 the Government undertook an agency rationalisation programme and, as a result, we have approximately 176 fewer public bodies. The initiative has resulted in savings to the Exchequer and reviewed the manner in which many of these bodies operated. There are plans to consider other amalgamations or mergers such as the Valuation Office, the Property Registration Authority and Ordnance Survey Ireland to form Tailte Éireann. Similarly, the Office of the Pensions Ombudsman is due to be absorbed into the Financial Services Ombudsman. A review takes time but one does not want to throw the baby out with the bath water.

It is worth highlighting another aspect of the agencies. While there has been a programme of reduction, mergers and rationalisation - the Minister can correct me if I am wrong - notwithstanding that the agencies have been merged, the functions for which they were set up continue and are still deemed relevant. It is just that agencies that have been merged with another agency must pursue economies of scale where they can, as pointed out by Senator Michael McDowell, and avail of common services such as human resources, IT, etc. These agencies may no longer exist on their own, but they are still necessary. It is not a case that the reason for their establishment has become obsolete. If there is an exception, the Minister can clarify the matter for me.

The Bill has not necessarily been accepted by the Government. A revised code of practice for State bodies was launched in August 2016. The code complements standard reporting and performance requirements. It also confers responsibility on Ministers and Departments to ensure bodies carry out their functions effectively. We have also witnessed increased activity by Oireachtas committees. That means that there has been greater scrutiny of the public bodies

under their remit which is welcome. The tenet and spirit of what is sought to be achieved by the Bill is agreeable but the approach is not necessarily acceptable as there are measures in place. I presume everyone would like to see how those measures pan out. We hope they will give us effective scrutiny.

The code of practice is aimed at securing improvements in accountability and effectiveness while analysing the case for consolidation through a broader examination of changes in the external environment. Importantly, the code also includes a requirement that bodies are subject to a review on a five-year basis. These periodical critical reviews already reflect the essence of the public bodies review agency proposed by the Bill before Members. It requires Departments to review State bodies under their aegis every five years to ensure there is an ongoing business case for their existence and that bodies perform effectively. As I have said previously, this is a prudent approach, as opposed to rushing to set up another quango.

I am aware that politicians are fallible, but accountability lies and the buck stops with Ministers. That is why I think that the work of Oireachtas committees and the responsibility of Ministers should not be unduly outsourced to public bodies or agencies. That is important and I want direct-line democracy. My general disposition is not towards setting up new public bodies but trying to improve the existing system of democratic accountability. I understand it is envisioned that it would be met through the Departments and Ministers.

I look forward to hearing the Minister's response and the contributions of other Senators.

Senator Gerry Horkan: I welcome the Minister. As I said to the Tánaiste previously, it is nice to have former Senators back here and see them doing so well.

I welcome Senator Ó Pádraig Céidigh's Bill. I admire him for much of what he has done over his career. Unfortunately, I am unable to support his Bill on this occasion. It is welcome that he has brought it forward for discussion. Senator Michael McDowell's contribution was quite reasoned and thoughtful in terms of pointing out the pros and cons of why someone might be contemplating such legislation. Unfortunately, from Senator Pádraig Ó Céidigh's perspective, Fianna Fáil will not support the Public Bodies Review Agency Bill 2016. We believe any body or agency that is no longer needed can be disbanded and a new super quango is not required to do so. If Ministers have the political will and the justification for disbanding an agency they can already do so. In 2011 Fine Gael campaigned to get rid of quangos but all it has done since is add to the list. Irish Water is probably the most memorable of the more recent State bodies that have been set up. It would be on the list to be controlled or regulated were this Bill to be enacted.

The purpose of the agency is to review, at seven-yearly intervals, the effectiveness of the public bodies with a view to ensuring that their statutory remit remains of relevance and that each public body continues to discharge its functions in the most effective way possible. The idea behind the Bill is that companies in the private sector must constantly adapt and change in order to survive, but there is not the same pressure in public bodies. It is intended that the review agency would provide some of this pressure, thus making the operation of public bodies more relevant. The agency will have the responsibility to review 140 bodies at least once every seven years. The list is extensive and includes the Child and Family Agency, Bord Bia, the Arts Council, IDA Ireland, the Central Statistics Office, NAMA and the NTMA. I shall not list them all. If the Minister does not implement a recommendation then he or she will have to compile a report on why not within 90 days. However, this would lead to a massive overhaul

of all legislation pertaining to State bodies, which would cost a significant amount of money.

The agency will likely require experts. Reference has been made to a board of ten members and a chief executive. I do not have an idea of how big or small the body would be in terms of staff. It will likely require external expertise and that means the appointment of experts, auditors and consultants. The measure is again likely to cost a significant amount of money for potentially not a great level of return. It is unlikely that the expertise would be available inhouse to review public bodies as diverse as the Pensions Authority, the Irish Sports Council and the National Transport Authority. A new agency would simply add to the bureaucracy of running a public body. The review of public bodies already takes place and the platform is already in place. Ministers, spokespeople, the Committee of Public Accounts and the Department of Public Expenditure and Reform are all capable of performing such reviews. Unfortunately, it is for those reasons that my party is not in a position to support the Bill.

Every one of the agencies has a board. They also have nominations that I presume are ministerial in nature or need ministerial approval. We know that some people have found it difficult to fill their boards because they do not have enough information on how to fill a board. People can look at the website *stateboards.ie* to learn how to apply for a position on a State board. I was a member of one of the bodies listed in the legislation. I was appointed to the Dental Council, which had no fees nor expenses. The Dental Council is located on Merrion Square and I can almost see it out of the window if I look hard enough. The Dental Council is self-funding. It maintains the register, is the regulator of dentists and is funded by fees paid by dentists. In terms of the legislation, an element of review takes place. Most members of State boards will try to make sure that their board is as effective, efficient and relevant as what it is supposed to be. Recently we were briefed by Teagasc and heard about all of its great work. Teagasc has been listed in the legislation, with one of its companies, Moorepark Technology Limited.

As Senator Michelle Mulherin and other Senators have referenced, we got rid of 80 town councils and merged councils in Waterford, Limerick and Tipperary. We merged the city and county councils in the case of Waterford and Limerick and the Tipperary north and south county councils were merged. The Local Government Management Agency absorbed the Local Government Computer Services Board. That shows this work can be done. It is not Senator Ó Céidigh's fault or the fault of anyone who is proposing it but it could be looked at as a kind of "Yes, Minister" scenario. The character in that fictional mockumentary was Minister for Administrative Affairs. Effectively, we would be setting up a huge body to re-examine bodies that are already there and which should be examined. I support the concept and thrust of looking at public bodies to make sure they are relevant, but I am not sure this is the best mechanism. I will not be able to support the Bill.

Senator Paul Gavan: I will begin by welcoming the opportunity to discuss the Bill in the Chamber. It is clear there has been a substantial amount of work put into this legislation by the Senator and I fully accept that it is well intentioned. We recognise that the proposal for further scrutiny and oversight of public bodies has merit; however, we have concerns about this particular method of regulation. Our primary concern is the establishment of just one single agency that would regulate all public bodies. We have particular concerns about the proposed new agency's democratic accountability. Will this new agency effectively push public representatives further away from the process of scrutinising public bodies and, therefore, ensure political scrutiny of public agencies is reduced? We should also recognise that such a new agency could potentially become a Trojan horse with the intention of curtailing the remit of public bodies and could also be used by those in power for purposes not in keeping with the public interest. The

best place to scrutinise and regulate public bodies is in the sectoral committees of the Oireachtas. The health and finance committees, for example, should be meeting regularly to ensure the public bodies within their remit are performing. The responsibility for scrutinising public bodies should not be left to one agency every seven years because every seven years will not cut it. We need to be much more effective in establishing the democratic accountability of these bodies. If individuals are not satisfied that sectoral committees are doing an adequate job of reviewing public bodies, perhaps we should reform the committees, rather than creating a new quango. There is no little irony in the proposal to establish a new quango in order to cut down on their overall number.

We are concerned that there is potential for the agency to become a political football. While the Bill may be well intentioned, there is the possibility of it becoming a balancing act between the agency doing what it feels is the correct thing and being hijacked by legislators and lobbyists. We saw this previously with the Combat Poverty Agency which was silenced by the Government in 2008 during a hostile takeover of a watchdog that was very vocal and critical of Government budgets. What happened to that agency? The Government said the agency would be axed and incorporated into a much larger body. All too conveniently for the Fianna Fáil Government of the time, the Combat Poverty Agency was taken off the pitch. We do not want to see the same thing happen to other public bodies in the future, especially when it is at the behest of this proposed public bodies review agency which would lack the democratic accountability of Dáil and Seanad committees.

I have taken a look at some other similar models in other countries and I am a little concerned by one model, in particular, which is cited in the explanatory memorandum as a possible solution. That model is the Sunset Advisory Commission in Texas. It does what this Bill would ask the proposed new agency to do. It should go without saying that Texas is not exactly a byword for progressive politics. We discovered that the Sunset Advisory Commission has been strongly criticised for being driven by unelected bodies and doing what powerful people want it to do. It has also been criticised for not accepting any proposals beside ones which had the blessing of the oil and gas industry, all of which points to an agency controlled by anyone but elected officials. The Sunset Advisory Commission also prides itself on how many agencies it has abolished and how much money it saves, which is concerning when one considers the story of the Combat Poverty Agency which I have mentioned. In the light of this, we really have to consider the ideology behind the body which prides itself on the number of agencies it has abolished. Is this simply a way for the Government to shrink regulation and the public sector, which would lead to more outsourcing?

Amid all the talk of regulation, we must remember that it was not the public sector that caused the financial crash eight years ago; it was the private sector. It was reckless lending, borrowing and investments within the banking and housing sector. It is the private sector in which a significant amount of additional oversight and scrutiny needs to be applied. Coming back to this public sector review agency, it is our position that the oversight of public bodies is best done by public representatives rather than having those public representatives pushed back to arm's length.

In the interests of public oversight and accountability, all replies, including deferred or delayed replies from the HSE, should be published in the Official Report of the Dáil with a link to the original parliamentary question. The Government needs to end the practice of Minister's not answering for their semi-State and arm's length bodies. For that reason, Sinn Féin would prefer to see bodies such as the Office of the Comptroller and Auditor General and the Com-

mittee of Public Accounts extended, rather than creating a new quango that outsources these responsibilities to unelected officials who are not held to account. For these reasons, Sinn Féin will not be supporting the Bill. We recognise that a great deal of work has gone into the legislation and would welcome further discussion on public and private sector regulation.

Senator Colette Kelleher: I am speaking to the Bill proposed by Senator Pádraig Ó Céidigh to establish a public bodies review agency. I commend the good work of public bodies, of which there are some 257 according to the Institute of Public Administration's report in March 2016. There is the Citizens Information Board, Gaisce, Teagasc and the much-needed Charities Regulatory Authority for which we had all been calling and which needs to be up and running and as active as possible. I also add HIQA, which has done much in a short period of time to set standards for safer and better care in Ireland and to expose shortfalls that affect some of the most vulnerable in our society, including older people and people with disabilities. The objects of the proposed new agency, as set out in Part 2 of the Bill, are to review the "effectiveness of public bodies so as to ensure that they continue to be fit for purpose, that they adopt and retain a culture of continuous improvement and contribute to society in a positive, meaningful and measurable way". They are good objects and would be valuable for examining the use or purpose of any organisation in the country, whether public, private or voluntary, including this House. They are good principles. This practice of reviewing public bodies was common in the United Kingdom where I worked for 17 years. A process known as quinquennial review was undertaken every five years and was required for all public bodies. These were undertaken by the lead Department of the funding agency and did not require the establishment of an agency as proposed in this Bill. Last month, the the Cabinet Office in the United Kingdom produced guidance for Departments on how to undertake a review such as is being proposed by the Senator. Departments will conduct public body reviews without the requirement of establishing a separate agency as this Bill proposes. The report published by the Institute of Public Administration, IPA, in March 2016 concluded, based on lessons learned from European and UK practice:

What is needed is a formal, transparent and consistent framework for informing decisions on abolishing, amalgamating, setting up, resourcing and monitoring agencies. This would help create the climate for a more reasoned debate on state agencies.

It rightly states we should not be talking about a numbers game. It is not about how many or how few agencies there are but about whether they serve purposes any more. That is very important. From reading the IPA's report, I understand that, while proposing a framework, it does not necessarily propose the establishment of a separate agency as is proposed in the Bill. I am interested in the Senator's rationale for establishing yet another agency to conduct the worthy public body reviews proposed. Could the same outcome or framework proposed by the IPA be achieved without the expense of establishing a separate agency?

I will put forward some other questions for consideration by the Senator and the Minister. Could public body reviews be triggered by public petitions or whistleblowers or individuals who have experienced failures at the hands of agencies? Will there be some oversight by committees of the Houses of the Oireachtas? Could the agency review the governance of public bodies not on the list? It is an important place to look in reviewing effectiveness. Could section 38 agencies such as the Central Remedial Clinic or St. Vincent's University Hospital be subject to similar reviews and scrutiny?

I will turn to Part 3 and the provisions for the composition and appointment of the board of the proposed new agency. I am not in favour of a new agency, but the functions described in the

Bill could be undertaken by Departments. The provisions of the Bill fall short and are a missed opportunity. My concern is that the arrangements set out for the appointment and selection of board members for public bodies in general and the proposed new agency, in particular, are not transparent. While I understand all appointments to State boards must be advertised openly on the State boards portal which is operated by the Public Appointments Service and that one can put one's name forward, the selection process is not clear. According to the IPA, in making any direct ministerial board appointment, the Minister is not necessarily confined to those who make an expression of interest. The Minister may also decide, from time to time, not to fill existing vacancies. With a more openly advertised and transparent selection process, there is an opportunity to open boards up beyond the great and the good to a wider cross-section of civil society and to create diversity on boards. For instance, how many people with disabilities sit on boards? How many people from poorer parts of society sit on boards? How many people from a Traveller background sit on boards? How many women sit on boards? According to the IPA, there is one third. There could be a determination in our review of public bodies, for example, to adopt a 50:50 principle for a gender balance to apply to all public boards by a given date.

I thank the Senator for bringing forward the Bill and raising awareness of the issues that inform it. I look forward to hearing the Minister's and the Senator's response. It is an important consideration for us.

Senator Ivana Bacik: I welcome the Minister and the opportunity to have this debate. I commend Senator Pádraig Ó Céidigh for bringing forward the Bill and enabling us to discuss the important issue of the governance and accountability of public bodies.

I was particularly interested to hear of Senator Colette Kelleher's experience in the United Kingdom and her comments that reviews there tend to be undertaken by relevant line Departments in accordance with a framework of assessment produced by the Cabinet office. It seems an interesting example of how this can be carried out. I agree with her in terms of gender balance on boards and in appointments. In the previous Seanad I brought forward an amendment on the gender composition of boards of the education and training boards which was accepted. We had a good dialogue on gender balance on those boards. It is an important consideration.

I had the opportunity of discussing with Senator Pádraig Ó Céidigh the ideas behind the Bill and the principles contained in it. He is persuasive. He puts forward good points about the need to ensure the accountability of public bodies. His point which he made is that the idea behind the Bill is not to duplicate existing agencies such as the Comptroller and Auditor General but to have a new body that would oversee other forms of governance and effectiveness beyond the financial auditing that the Comptroller and Auditor General does. His point is that it would remove the need to bring in big management consultancy firms from outside, as is frequently done, and pay them large consultancy fees to conduct reviews of functions of public bodies. I see the purpose and think we all agree with the need to ensure there is a better mechanism for reviewing the functions of public bodies. Where I disagree with the model in the Bill or have concerns about it - they have been expressed by others - is that it is hard to see how one body could carry out the functions that would be ascribed to this new agency provided for in the Bill. I share the concerns of others that one would still see some duplication of existing bodies and that this Bill would set up an agency that would take functions that should be those of line Departments, in particular the Department of Public Expenditure and Reform, and other existing institutions.

My particular concern is that looking carefully at the 140 bodies listed in the Schedule,

ranging from the Adoption Authority to the Workplace Relations Commission, it is difficult to see how one overarching agency could effectively monitor the functions of so many bodies. Senator Pádraig Ó Céidigh points out that there is an existing model with the National Oversight and Audit Commission which oversees local government, but overseeing local government is overseeing a range of local authorities, all of which have the same functions. My concern is that the new entity would be looking at such a diverse range of bodies, ranging from Science Foundation Ireland, the Parole Board, Fáilte Ireland, Irish Water which, as we know, is a task in itself and in which Senator Pádraig Ó Céidigh has a role, to the Irish Film Board, the Charities Regulator and An Garda Síochána. We already have the Garda Inspectorate. Coming from a criminal justice background, the Garda Inspectorate has a mammoth task in overseeing An Garda Síochána. Another agency is not required to step as we already have sufficient mechanisms. I am concerned that there is such a range of functions.

Looking carefully at what the Bill proposes the agency would do, section 9 states the agency's object is to review the role and effectiveness of public bodies to ensure they continue to be fit for purpose. That seems to be very broad. In looking at the composition of the board in section 16, I am not clear what sort of expertise board members would need to have to decide, for example, that the Adoption Authority is fit for purpose as compared with the Workplace Relations Commission. It seems the model of line Departments taking that role may be a better one. Senator Pádraig Ó Céidigh has looked at comparative models that are trying to engage in this overarching governance, but it would require careful thought to see how a body could carry out its functions effectively given such a broad definition of these functions. I note that section 42 provides for the Minister to set out relevant standards and the line Minister is to be involved, but why not have the line Department carry out the review in that case?

The final issue that jumped out at me, as it were, and for which Senator Pádraig Ó Céidigh may have an answer is the sanctions or comeback. The agency is to make recommendations for reform where it considers bodies are not fit for purpose, but what happens if a public body does not comply with these recommendations? Where will the report go? Does this overstep the function that should be placed squarely with the relevant Minister or other bodies where they are in place such as the Garda Inspectorate?

These are some of the concerns I raise, but I commend the Senator for bringing forward the Bill, putting so much work into it and giving us the opportunity to debate these important issues related to governance, accountability and mechanisms to ensure public bodies operate effectively in such a diverse range of fields. It has given us the opportunity at least to review how many public bodies there are and, as others have done, commend the great work so many of them do. In my field of criminal justice, for example, I am aware of the significant cutbacks the Courts Service has seen. Bodies such as the Parole Board struggle with limited resources while doing very important work to the benefit of all communities. That also deserves to be said. It is not often we get the opportunity to say it on the floor of the House and I am grateful to the Senator for giving us the opportunity to do so.

Minister for Public Expenditure and Reform (Deputy Paschal Donohoe): I begin by acknowledging and thanking Senator Pádraig Ó Céidigh for all the tremendous work he has done in drafting the Bill and presenting it to the House and the rationale he has offered for the legislation. I had an opportunity to discuss it with him earlier in the week. I agree with much of the work done in the Bill, but, as the Senator will be aware, I am not in a position to accept it. I will outline the reasons. I also thank Senators Gerry Horkan, Paul Gavan, Colette Kelleher, Michael McDowell, Ivana Bacik and Michelle Mulherin for the perspectives they have offered

on the Bill. I hope I have included all those who contributed.

As I listened to everybody speak, I was lamenting the fact I could not speak Latin because, if I could, the insight I would be looking to offer is who watches the watchmen. That cuts to the core of the issue the Senator is raising in the Bill. That question and the answering of it are covered in sections 10 and 13 which cut to the core of the work the Senator is asking the agency to do. Section 10 lays out its primary functions, while section 13 lays out the powers the Senator believes it will need for the functions of the Bill to be discharged. For me, that cuts to the core of the issue. If one looks at the functions of the agency the Senator prescribes, I respectfully contend that the bodies best placed to do that work are the Government and Departments. Let us look at the powers the agency needs in order to allow the information gathering to happen and the need to appoint authorised persons. If these needs are so great for the agency to fulfil that role, the organisation that is best placed to do this work in the first place may actually be the relevant Department. I will set out the two reasons for my belief it would not be right for the Seanad to pass the Bill, despite my agreement with many of the objectives outlined by Senator Pádraig Ó Céidigh. The first is that if one State agency had the role of overseeing the work of another State agency, there would be the very challenge of breadth that Senator Ivana Bacik outlined, as well as a question of legitimacy. If a Department and the Oireachtas have decided that a particular agency is needed, the capacity to review the operation of that agency surely should sit with the parent Department that is creating that agency, rather than with another agency created to do it. In my experience - I have articulated this view to Senator Pádraig Ó Céidigh - if we want to get beyond a review and to actually act on its recommendations, the only body that can ever do that is a Department. If we decide that a review raises issues that need to be acted on and made happen, that power is too important to be relegated to another body that is not the Department that sponsors that agency.

The second reason which has been touched on in the contributions of other Senators relates to the accountability of the agency, were it to make a recommendation about another agency that became a cause for public debate, disquiet or approval. The reason I think we, by and large, have a good structure already in place is that when, as was raised by another Senator, there is disquiet or a debate over the work of an agency, it is aired, settled and ultimately decided on within the Oireachtas through the Estimates, decisions and policy debates. Somebody has to be accountable for it. I strongly argue that we are in a better place when there is a single line of accountability through a Minister, as opposed to another agency doing the work.

By way of background, I will conclude by referring to three broad areas. The first is the progress that has been made to date. The second is the progress that has been made within particular sectors. Not everybody will agree that it is progress, which is why it needs to be embedded in a democratic approach. The third is the articulation of two other ways by which I believe an objective such as this can be achieved, as I cannot accept the Bill for the reasons outlined.

To begin with the progress made, as has been acknowledged by Senators, there have been changes in this area. A total of 143 State bodies have either been disbanded or merged into other bodies, while 62 have been combined into 27 new bodies. Senator Michael McDowell asked why different organisations were in charge of their own payroll and why the process was not centralised. It has happened. It is already in place through a centralised payroll section in my Department, PeoplePoint, which is a single agency that handles payments for wages, pensions and other items of public expenditure centrally. I hope we will have the statutory authority to make that happen in 2017 in order that it will be a body with its own legal basis to carry out its work. That is already in place and happens.

Let us look at the sectoral effects of what that rationalisation has meant. An example of housing was raised. The Affordable Housing Partnership, the National Building Agency and the Centre for Housing Research are now merged into the Housing Agency. In transport, the Rail Procurement Agency and the National Roads Authority have been merged into a single body. Locally, county enterprise boards have been integrated into local authorities. In industrial relations, the Workplace Relations Commission now does the work of the Labour Relations Commission, the National Employment Rights Authority, the Equality Tribunal and the Employment Appeals Tribunal. We are seeing examples of work coming together into single bodies. When this merging was taking place, it was opposed. The reason it was opposed was people felt impartiality might be compromised, while expertise might not be discharged if it all came under one agency. Much of this rationalisation is occurring. A further review of rationalisation will take place in the future. That work is too important and sensitive. It affects some policy areas and people who work for the State. That work is most appropriately and effectively done through Departments, particularly my own, the Department of Public Expenditure and Reform.

I will conclude on how we might be able to carry out this work better in the future, beyond the adoption of the Bill. There are two areas. I have talked to Senator Pádraig Ó Céidigh about this. On budget day I announced that the Government would be carrying out a comprehensive spending review for the first time in many years. We will not be doing it on budget day or as part of an external aid programme. We will be doing it because many of the issues that have been raised by the Senator need to be re-examined in a careful way and at a time when we are not in a phase of acute crisis. These overviews have been a part of how we have governed ourselves in the past. They are a part of how other countries govern themselves. It should be a regular part of the work we do. I hope many of the issues the Senator has raised could be dealt with through this process of a comprehensive spending review, which we are hoping to conclude next summer.

With regard to the work of broader commercial bodies, over the summer I published a new code on the governance of State bodies. I launched it in August in the Institute of Public Administration. I want to have it in place by next summer. We are putting in place a 12-month period to allow that work to be done. I expect that we would be best placed to deal with many of the issues the Senator has raised about oversight and governance within semi-State
6 o'clock bodies through the full implementation of that code of practice. While I agree with many of the objectives the Senator has outlined, I am not in a position to support the Bill, but I do believe that through the proper implementation of a comprehensive spending review and the conclusion of the roll-out of a uniform code of governance among the semi-State sector next summer, we might find different and more effective ways to deliver on the objectives to which he referred. I thank him for all of the work that has gone into the development of the Bill. These are important issues on which I believe we will be able to deliver in a different way.

I will conclude by referring to the tone of the debate. It is great to hear Senators acknowledge in the House the good work already happening. I would like us to get to a point where the phrase “quango” would no longer be pejorative. Good work does happen in State agencies. If we get to a place where the tone in such debates is automatically pejorative, we do not serve well the important work being done.

More to the point, we do not serve the important job of trying to review and rationalise the work of those agencies, where necessary. The Senator has not done that, which is why I com-

mend the approach taken. If we move into the space of not acknowledging good work that has already taken place, we will weaken our ability to take difficult decisions in the future when such decisions are required.

I thank Senator Pádraig Ó Céidigh for the work he has done and all the Senators for their contributions to the debate. As I explained, I am unable to stay for the remainder of the debate. I hope I have outlined the reasons we cannot accept the Bill and the alternative ways in which the work can be continued.

Senator Paddy Burke: I welcome the Minister and thank Senator Pádraig Ó Céidigh for introducing the Bill. It has generated a good debate on the important issue of the governance of semi-State and State bodies and boards or, as the Minister stated, quangos. The Minister comprehensively outlined how the governance of these bodies will be pursued from now on and why there is no great need for the Bill. I agree with majority of what he said. I agree that a single line of accountability in Departments is best, whereby these boards would be answerable to the line Minister. However, I must point out that over the years I have found that many State and semi-State bodies have appeared to be answerable to nobody at times. On numerous occasions when Members of this House and the Dáil have tried to get answers to questions on some issues, the relevant line Minister took no responsibility and stated the particular matter fell outside his or her remit or that of the Houses and that the State board or body was not answerable to him or her. The Minister should examine that aspect of governance.

The Minister said that from 2016 these bodies would report every five years. That is welcome and I appreciate what the Government has done in that regard. I hope that, when the reports are produced, the line Ministers will review those relating to the State boards or bodies within their remit. The reports should be laid before the Houses or brought before the Seanad. The Seanad is an ideal forum in which to review them. There is sufficient expertise and experience in this House to review any Bill or report. Members represent political parties, as well as sectors such as education, labour and commerce. Those Senators from the various panels or parties that put them forward are capable of asking the questions that are relevant to the various bodies in their areas.

I again thank Senator Pádraig Ó Céidigh. Governance in the State boards and bodies is particularly important. The previous Government had to bring many of the State boards into line and make them bring their wages and management into line with the rules of the various Departments. I welcome everything that has been done, as well as the five-year reviews that will take place. This is an ideal forum to debate those reports as part of the governance. It will ensure there is accountability for the reports that are brought forward, that the buck will stop somewhere and that somebody can ask a question. The Seanad is the ideal forum for that to happen.

Senator Pádraig Ó Céidigh: I thank the Minister and Senators for their contributions. As the Minister has a very important meeting to attend, I will not delay him. We had a conversation earlier this week which helped to clarify many things for me. That was appreciated. In particular, I appreciate the way in which he addressed the thinking behind the objectives and purpose of the Bill. Frankly, what I appreciate most is the integrity with which he approached it and his genuine deep concern which is shared by me and other Senators.

I have huge respect for the Seanad and all of its Members. In my short time in the House I have learned that all Members, across all political parties, are here for the right reasons. They

are putting the people first. The Minister is also very much in that space. I deeply appreciate the work, time and effort that various Senators and the Minister put into analysing, reviewing and assessing the Bill. I am delighted I brought it forward, although I will withdraw it at this point. It initiated a discussion and shone a light on an area that all of us consider to be very important. We believe in State and semi-State bodies. I was on the boards of three semi-State bodies. They are fantastic organisations with great people. If a number of companies operated with the professionalism with which those State bodies operate, we probably would have a far better industry structure in the commercial private sector in Ireland. I have seen incredible commitment from civil servants, leaders and teams involved in tourism and other areas.

I take huge exception to the term “quangos”. They are not quangos. They are good State agencies with good people. However, as with everything else in life, we and the Minister agree that we must continually review our current position, where we are going and what we are doing. There must be an independent assessment in that regard. I accept that establishing another public body to do it is not the best option. That has been the uniform opinion of everybody here and I appreciate and respect that opinion. I will withdraw the Bill. However, I have a suggestion for the Minister. If possible, perhaps the relevant line Minister could come to the House every six months to tell us the current position on the policy and strategy of his or her Department. That would be very helpful for Members. I have come from the outside and seen a little of how the Seanad works. There is incredible talent and great passion here. The Seanad has a key and important role to play in Irish life and long may it continue to do so. However, we must have the opportunity to engage as much as possible with the Minister and his colleagues; therefore, they should come to the House twice a year to share their strategy with us. I appreciate that a review of public bodies will be carried out every five years. The Seanad should be engaged in that process as much as possible in a supporting role.

I deeply appreciate the contributions of the Minister and all Members of the House. I withdraw the Bill.

Acting Chairman (Senator Gerry Horkan): Procedurally, I must put the question because at this point I cannot let the Senator withdraw the Bill.

Question put and declared lost.

Acting Chairman (Senator Gerry Horkan): When is it proposed to sit again?

Senator Paddy Burke: At 10.30 a.m. tomorrow.

The Seanad adjourned at 6.10 p.m. until 10.30 a.m. on Thursday, 8 December 2016.