

SEANAD ÉIREANN

Déardaoin, 25 Samhain 2010.
Thursday, 25 November 2010.

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Paidir.

Prayer.

Business of Seanad

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

The need for the Tánaiste and Minister for Education and Skills to ensure the configuration of the midlands VEC will be Longford-Westmeath and that the headquarters is located in Mullingar, County Westmeath.

I have also received notice from Senator Cecilia Keaveney of the following matter:

The need for the Minister for Communications, Energy and Natural Resources to outline the measures, if any, that will be taken to provide a true free-to-air, SAORVIEW, service following the changeover to digital for those experiencing difficulty with the analogue service.

I regard the matter raised by Senator McFadden as suitable for discussion on the Adjournment and it will be taken at the conclusion of business. I regret that I have had to rule out of order the matter raised by Senator Keaveney as the Minister has no official responsibility in the matter.

Senator Cecilia Keaveney: On a point of order, I express my disappointment at the fact that the Minister has no responsibility to ensure a television service is provided for us.

Senator David Norris: Hear, hear.

Order of Business

Senator Donie Cassidy: The Order of Business is No. 1, statements on Ireland's renewable energy potential, to be taken at the conclusion of the Order of Business and conclude not later than 2 p.m., if not previously concluded, on which spokespersons may speak for 12 minutes and all other Senators for ten minutes and Senators may share time, by agreement of the House, with the Minister to be called upon ten minutes before the conclusion of the debate for concluding comments and to take questions from leaders or spokespersons.

Senator Jerry Buttimer: On a point of order, will the Leader inform the House whether he spoke to the Taoiseach or the Minister for Finance yesterday about bringing forward the budget?

An Cathaoirleach: That is not relevant to the Order of Business. The Senator can ask the Leader that question later.

Senator Jerry Buttimer: On a point of order, with regard to the running of the House, will the Leader——

An Cathaoirleach: A point of order relates to procedure. This is not relevant to the Order of Business.

Senator Jerry Buttimer: Yesterday and on Tuesday Members on all sides of the House asked the Leader——

An Cathaoirleach: The Fine Gael leader will speak next and the Senator will have an opportunity to do so later.

Senator Jerry Buttimer: I have a question for the Chair. What mechanism is available to the Leader to come back to us on Members' requests that the budget be brought forward? The Leader was meant to report back on this question.

An Cathaoirleach: I call Senator Cummins.

Senator Maurice Cummins: The Fine Gael leader, Deputy Kenny, offered the suggestion that the Houses sit five days a week and return in early January to facilitate and complete the budgetary process. However, the Government seems intent on plodding along at the usual pace. Has the Green Party secured a date for holding the next general election in the second half of January, as it requested on Monday? I recall Senator Boyle stating yesterday that the stance taken was an extension of the programme for Government. Is it set in stone that we will have a general election in the second half of January or will the Green Party have to throw another wobbly on this and flex their muscles again?

An Cathaoirleach: It is a matter for the other House.

Senator Maurice Cummins: It is simple question in view of what Senator Boyle said yesterday. I ask for that to be clarified. I am sure everyone outside this House would like clarification on the matter.

Senator Jim Walsh: They are worried about more than that.

Senator Maurice Cummins: We had a debate on the four year plan yesterday when it was hot off the presses. I ask for further discussions on it when people have a chance to examine it in further detail. Perhaps the Leader can facilitate this.

We are three months into the college year yet 13,000 students, some 21% of all students, have not yet received maintenance grants. Students are finding it very difficult to make ends meet and some are dropping out of college as a result. Some 60,000 applications for grant aid were submitted and 13,000 had not been processed by the first week of November. These figures were supplied by the Department of Education and Skills. Everyone would agree this is totally unacceptable and puts pressure on families who need the grant. Fine Gael believes there is a need for a one-stop shop that would fast-track all payments and grant applications. This is happening year after year and it must be addressed. I ask the Leader to contact the Minister for Education and Skills to ensure people get the grants before Christmas. They should have received grants three months ago and it is unacceptable to see this happening.

Senator Joe O'Toole: The issue raised by Fine Gael is one I have raised before. We should be aware of this and it should be discussed here next week in the Croke Park agreement debate. There are 32 local authorities replicating each others' work in grant applications and college fees. There are then 32 different places sending cheques to different colleges. The students then go to the college authorities, prove their identities and are then given the cheques. The students have never seen a cheque in their lives because people of that age do not deal in cheques. This should be done through technology. Grants should be transferred to the students' accounts every month. The idea of this being replicated in 32 locations and working on a system of cheques and identity creates work the like of which we would not have seen in the old-fashioned USSR. It is a poor reflection on how we should be doing business. The students' union has made this point clearly as well.

How will we see this economy grow following on from the four year plan? There is not enough detail in it. I would like a full debate on this matter. I would like to hear people in the Chamber advancing their proposals on the economy. The other issue, which should be discussed separately, is the question of State agencies. The report has a few pages dealing with them. People talk of quangos and they are all treated as if they are the same. It is time to start looking at these, what they are doing, which ones we need to retain, which ones we do not need any more and which ones are not doing what they were set up to do. We should also consider their efficiency, whether they are getting reports out on time and whether the annual statements of accounts and budgets are published on time. We should also consider the relationship with the parent Department. We need to examine the four year plan and focus on particular areas. Last night was satisfactory to kick it off with a general response but we need to examine certain areas, including growth and State agencies. Next week we will have a debate on the Croke Park agreement, which is another aspect of the four year plan. We need to examine these matters with clear objectives.

Senator Alex White: The issue of growth is vital and there is precious little in the four year plan that gives any sense of the Government's plan or strategy on growth. It is correct that we should have the objective of reaching 3% by 2014, to which most parties have agreed. The question is how we get there and how quickly we think we can get there. The debate about this year's budget and whether it should be €6 billion or whether it could be achieved with a lower figure this year is reflected not just between parties in these Houses but also by outside commentators whom the Minister for Finance and many others are quick to invoke in their favour and who have taken an interest in this point as late as this morning. Twice in its editorial, the *Financial Times* cautions against the approach taken by the Irish Government and puts forward a compelling view that a slower move towards deficit reduction would be advisable, particularly at this stage. We know where we must be by 2014 but how quickly we think we can get there, especially in the budget for next year, is crucial. I welcome a debate on this aspect of where we are in the move towards 2014. The IMF, the European Central Bank and the European Union has an interest in this. It is striking that the IMF is taking a more nuanced and clear-headed view on the question of growth than some of our so-called European friends.

Senator Joe O'Toole: Hear, hear.

Senator Alex White: We can easily bring the question of growth and stimulating our economy into our debate. We can have the growth as predicted or slow things down so far that we may have to close the whole place down.

I am completely in favour of having the debate on the Croke Park agreement next week. We know the slowness of the progress on the Croke Park agreement. Various committees have been set up in the Departments. I have no objection to the debate but I am slightly sceptical

[Senator Alex White.]

about how much it will be possible to find out from the Government, given that so little progress has been reported to date. I am not against the debate but we should have a debate next week on the major banking crisis. We should have a debate on it today.

Senator Fidelma Healy Eames: Hear, hear.

Senator David Norris: Hear, hear. Bang on.

Senator Alex White: How can we talk about the four year plan without talking about the incredible crisis that affects not just our country but the eurozone and the entire European Union? We should be debating that point and finding out where we are in respect of those negotiations. A certain level of confidentiality must be maintained. What does the Government have in mind in respect of the interest rate and a memorandum of understanding? Where will we be at the end of this process?

Senator Dan Boyle: If that is not entering into negotiations in public, I do not know what is. We are in a precarious situation and we must wait for negotiations to happen and see what terms are offered. Both Houses of the Oireachtas will then have the opportunity to decide on their worth. It is also dangerous to claim that somehow we can extend the period by which we can deal with our budgetary crisis.

Senator Alex White: No one said that.

Senator Dan Boyle: We need to debate that.

Senator Alex White: On a friendly point of information, there was no suggestion of extending the period. It was a question of the pace. Will Senator Boyle accept that is what I said?

An Cathaoirleach: Please, Senator.

Senator Dan Boyle: I will go through that. If one is not frontloading——

Senator Alex White: Just be honest and fair.

Senator Dan Boyle: If one is not frontloading in the first year, one is undermining further confidence and making larger payments in subsequent years. Extending beyond 2014 to a period like 2017——

Senator Alex White: Who proposed that?

Senator Dan Boyle: I have heard trade union representatives suggest that. The additional cost to this country of extending to 2017 would be €80 billion. This is money we would find it difficult to receive and we would have to pay it back at a certain interest rate. There is a commitment to frontloading and to €15 billion. These are benchmarks we need to maintain. A discussion on the Croke Park agreement needs to happen soon. In line with other Senators on the Order of Business on previous days, our particular commitment to that debate is regardless of what is implemented and reviewed in the Croke Park agreement. There is a need for a signal from those of us involved in public life on budget day itself that whatever cuts and reduced costs are being asked from members of our society are particularly reflected here and to a greater extent. If that does not happen I fear for any budget package that will be presented on 7 December.

Senator Maurice Cummins: What about the election?

An Cathaoirleach: No. Please.

Senator Dan Boyle: I wish to just respond to the question from Senator Cummins——

An Cathaoirleach: Time, please.

Senator Dan Boyle: I welcome co-operation on having a shorter Christmas recess, sitting more days and bringing forward the finance Bill. What my party leader said quite clearly — people are having difficulty in understanding this — is that it will be on the passage of the finance Bill, which we are anticipating by mid-January——

Senator Maurice Cummins: What about the second week in January?

Senator Dan Boyle: That is the period. On the passage of the finance Bill.

Senator Maurice Cummins: So the Green Party will facilitate that for the middle of January.

An Cathaoirleach: Time now.

Senator Dan Boyle: Yes. Indeed.

An Cathaoirleach: Senator Boyle's time has expired.

Senator Maurice Cummins: We take it January is still on for the election. That is all we want to know.

An Cathaoirleach: Please, no interruptions.

Senator Paschal Donohoe: I support what Senator Cummins said in calling for a further debate on the four year plan. We should also discuss some of the reaction to the four year plan, in particular the call made by the Technical, Engineering and Electrical Union for a campaign of civil disobedience against the plan. That is very much worthy of discussion in the House because any form of protest, including peaceful protest, or people coming together, as is going to happen later in the week is a right. We recognise and welcome that, but stepping over that line to encourage civil disobedience against the State at this stage sends out a very dark and worrying signal.

Senator Paul Coghlan: Hear, hear.

Senator Paschal Donohoe: I ask the people making that call to reflect on three questions. The first is what the call means. Are they encouraging people to storm the Department of Finance, other Departments or institutions of State? They must clarify that.

The second question is what it will achieve. An election is on the way following the passage of the finance Bill, whenever that may be. That gives people the opportunity to express their dissent and dissatisfaction. In other countries where organised civil disobedience took place all it resulted in, in many cases, was the death of innocent bystanders. Do we want to light that fire in our country? The answer on behalf of responsible people is “No”.

The press statement issued by the union indicated that it would pursue a similar campaign to oppose the plan, if implemented. The two main Opposition parties on this side of the House are committed to implementing elements of the plan and to finding a way to deliver the objectives of the plan.

Senator Jim Walsh: No they are not. The Labour Party is not.

Senator Paschal Donohoe: Does that mean that regardless of the Government that will be in place this kind of campaign will be maintained? Will such a campaign be in place regardless of the result of the general election? That is the kind of signal that could send our society into a spiral from which it would be difficult to get out. I call on the Technical, Engineering and Electrical Union to clarify and withdraw those comments because it is the wrong approach at this stage.

Senator Jim Walsh: As the chalice is about to be passed to the Members of the Opposition——

Senator Alex White: Senator Walsh should not give up too quickly.

An Cathaoirleach: No interruptions please.

Senator Jim Walsh: It is a pity.

Senator Alex White: We must have a general election first.

An Cathaoirleach: Members, please.

Senator Niall Ó Brolcháin: They are running scared.

Senator Jim Walsh: It is a pity to see the leader of the Fine Gael Party play politics this morning at a time when we are standing on the precipice.

Senator Maurice Cummins: No politics is being played.

An Cathaoirleach: Members should please not interrupt.

Senator Maurice Cummins: A simple question was asked.

An Cathaoirleach: Senator Walsh without interruption.

Senator Jim Walsh: A representative of ICTU last night said the solution to the problem was to get people out to march on Saturday. Senator Donohoe, who is always constructive, rightly recognised the shambolic attitude of people like that. Unfortunately, when the Fine Gael Party goes into government it will be with a Labour Party which is in hock financially——

Senator Alex White: Senator Walsh would know about being in hock.

Senator Jim Walsh: ——and mentally to the unions.

Senator Alex White: Senator Walsh's party knows about being in hock.

An Cathaoirleach: Please.

Senator Jim Walsh: Unfortunately, there will be no cohesive solution——

Senator Alex White: Fianna Fáil invented being in hock.

Senator Jim Walsh: ——or attempt to address the difficulties we are in.

Senator Fidelma Healy Eames: That is an unfair charge.

An Cathaoirleach: Members, please.

Senator Jim Walsh: The sooner the public realise that, the better.

Senator Alex White: Fianna Fáil has made an art form out of it.

An Cathaoirleach: No interruptions please.

Senator Jim Walsh: There is no agreement between the parties on anything. They will not have a joint platform. The populist approach just will not work. We have had too much of it. We are guilty of some of it as well.

Senator Fidelma Healy Eames: You certainly are.

Senator Paul Coghlan: *Mea culpa.*

Senator Jim Walsh: What is being proposed by the Labour Party at the moment is a recipe for complete collapse. I would like to think we might take some note of what the former Taoiseach, Mr. John Bruton, said to British parliamentarians in the past week. He said that politics needs religiously-minded, ethical politicians. He dismissed the secularist notion that religion and politics should be entirely separate. This is a thoughtful House. We could do well to invite Mr. John Bruton to address the House and have a debate on what he says because, ultimately, unless we have that kind of substance within the political system we will not resolve the problems as the people look to us to do.

Senator David Norris: In view of the very difficult economic circumstances it is very interesting to see that 500 to 600 people were in the ballroom of the Shelbourne Hotel yesterday bidding for the Bank of Ireland art collection. That shows there is still money in the country but it is spread around very unevenly. I welcome the fact that the Irish Museum of Modern Art was given the opportunity to choose items to make up any gaps in its collection. I salute the fact that my colleague, Senator O'Toole, signalled that very early on.

We need to look at the people who do not have access to that kind of money. It is a beautiful day but a heavy snowfall is threatened. I was involved with Age Action Ireland in a campaign to try to get aid for elderly people who will be severely hit. There is a danger of hypothermia. I hope that if anyone is listening they will think of their neighbours at this very difficult time.

I agree with my colleagues, including Senator Cummins, who mentioned the situation regarding students and student grants. The Joint Committee on Education and Skills is meeting today on the matter. It has recommended legislation which would tidy up the situation. Let us not play politics with the issue. Let us get the legislation prepared and through the Houses as quickly as we can——

Senator Fidelma Healy Eames: Hear, hear.

Senator David Norris: ——so students and their families do not always have to go through this anxious time. It hits a lot of people.

At the moment politics is being played in Brussels with the farm grant. Because of a dispute between the Commission and the Parliament grant payments will be further held up. Farmers are threatened. They are getting low prices for their produce. Now there is going to be a delay in receiving their grant payments. Where are they to get the money to support themselves given that the banks are not giving out money? It is a very difficult situation.

We still do not seem to have learned. I got an e-mail yesterday, as did other Members. I spoke to the former Leader of this House, Deputy Mary O'Rourke, who had also received it. It was from a woman in the midlands, a decent professional woman with grown-up sons who

[Senator David Norris.]

are college graduates. She parked in a bay for traders in a supermarket car park. She knew the traders only used it one day a week and it was not that day. She got a ticket and put it on her car and thought she was all right. She was in bed with the flu and the Garda arrived in a van to take her to Mountjoy yesterday. Are we mad or what? What are the priorities in this country? She is a very private person. She asked us to raise the matter but not to give her name as she does not want any publicity.

An Cathaoirleach: A private matter such as that is not relevant to the Order of Business.

Senator David Norris: Could we please get our priorities right? Could we please get values that serve the people of this country? Let us not be completely and utterly daft.

Senator Cecilia Keaveney: I wish to refer to student grants, which are very important. Every year I have raised the need to bring back the criteria from the Department of Finance earlier and earlier so that grant applications and applications for college courses could be done together. Career guidance should have a grant element to it as well so people from councils and VECs could go to career guidance events in schools and tell people what they need to have because that approach has been very successful where it has been done. When the grant application comes in all the information is at hand and it can be processed quickly. Many people leave the information until the middle of the year which puts everyone under serious pressure in September and October. The Student Support Bill that is going through Committee Stage today will help in the development of a central grants system.

11 o'clock

Will the Leader arrange a debate on the matter next week?

This is the first of the 16-day campaign against domestic violence. The statistics are horrendous. Anyone who was in Buswells Hotel this morning to meet the agencies involved in dealing with the issue knows that many aspects remain to be debated. I could go through a list of the information provided, but I would prefer to do so during the debate.

I can raise a matter on the Adjournment concerning the need for the North and South to work together to ensure the switchover from an analogue service to digital will leave the North with a good service from which people living in County Donegal can benefit like those in other Border counties. However, it is amazing that I cannot raise on the Adjournment the issue of the changeover on the island of Ireland—

An Cathaoirleach: I have ruled the matter cannot be raised on the Adjournment.

Senator Cecilia Keaveney: —from an analogue service to digital because the Minister has no responsibility in the matter. He either has responsibility or he does not. He should be responsible for what happens in the Republic.

An Cathaoirleach: I have ruled on the matter.

Senator Ciaran Cannon: Will the Leader ask the Minister for Enterprise, Trade and Innovation to explain to the House the role played by Enterprise Ireland and the IDA in encouraging job creation in rural towns? From my experience in County Galway, they are playing little or no role. In the Lower House a question was posed to the Minister to learn how many investors had been brought to a number of vacant industrial parks in rural parts of County Galway in the past year. The answer was none. While 58 investors have been brought to Galway city, no one has been brought to the 27-acre business and technology park in Tuam or any of the other industrial parks throughout County Galway in recent years. Expanding on the theme

of growth, we must recognise that there are the capacity, expertise and determination within all rural towns to create the jobs we need, but such towns are being ignored by Enterprise Ireland and the IDA. Consider what can happen when such capacity, expertise and determination are rewarded. For example, JFC Manufacturing Limited in Tuam employs 200 people, Chanelle Pharmaceuticals Manufacturing Limited in Loughrea employs 220 people and has a presence in 90 countries, while Topform in Gort has just exported its first shipment to Australia. There is the capacity to create jobs in rural towns. Enterprise Ireland needs a dedicated unit to support this development. I am interested in hearing the Minister's views on the establishment of such a unit.

Senator Paschal Mooney: In recent weeks we have heard a great deal about patriotism and the foundation of the State. It is right and proper, therefore, that the House should react to what I can only describe as dark forces circling around the bastion of democracy. As always, Senator Donohoe encapsulated this feeling effectively. These dark forces should be condemned. The media have a responsibility in this regard. As I work with the media, this is not a media bashing exercise. A continuing litany of commentators on national radio and television are being allowed to express opinions that border on incitement. This creates an environment about which most ordinary and decent people are concerned. I do not doubt that those who march are sincere, but we need only consider the experience of the past year or 18 months, the most recent example being the students whose protest march in this city was hijacked by extreme forces who have no loyalty to the institutions of the State and are, in modern parlance, the nearest thing to anarchists. This must be a period for cool heads and wise words, particularly among political leaders and the political establishment. We must convey to middle Ireland, the majority of ordinary and decent people who are unquestionably angry and fearful concerning their children's future, that it is not well served by those who call people out onto the streets. Once they are called out, control is lost. It is important, therefore, that both Houses seek to ensure continuing loyalty and adherence to the democratic traditions built up over decades by successive Governments and other politicians. With the media, we have a duty to ensure that this will be a period of calm and that we will try to work our way through the crisis.

An Cathaoirleach: Time, please.

Senator Paschal Mooney: The Taoiseach's ultimate message yesterday was one of hope and confidence in the future that we could and would work our way out of the difficulties.

Senator Feargal Quinn: A document in my hand makes for grim reading. It is a report prepared for a court case a number of weeks ago on the liquidation of a construction company. It makes for grim reading because it lists the 1,620 companies and subcontractors owed money by the company in question.

Senator Fidelma Healy Eames: Yes.

Senator Feargal Quinn: Each of the 1,620 companies and subcontractors is an employer. The threat posed to them is that, because another company has gone into liquidation, the same could occur to them. These companies would not be on the list if we had been able to pass legislation proposed in the House last May.

Senator Fidelma Healy Eames: Hear, hear.

Senator Feargal Quinn: It will be before the House again before Christmas. As the Leader's heart is in it, he will do his best to ensure its passage. I am referring to the Construction

[Senator Feargal Quinn.]

Contracts Bill 2010 which has reached Committee Stage. I urge the Leader to do all he can to ensure it will not only pass through this House before the recess——

Senator David Norris: Well done.

Senator Feargal Quinn: ——but also that it will pass through the Lower House.

Senator David Norris: Absolutely.

Senator Feargal Quinn: However, its passage through the Lower House is not his responsibility. Senator Mooney mentioned the need for hope. We could have good news because of this Bill, as it would protect subcontractors. It is based on legislation introduced in other countries and would set the standard once it was passed through the Seanad and the Dáil. If we make amendments to improve it, it will be able to pass through the Dáil more easily and without delay. I am confident that this can be done before Christmas, but it will need the support not only of the Leader but also of every party. Up to 200 subcontractors met in a hotel at 10 a.m. and are hanging on to learn whether we can have the legislation passed promptly. I believe we can and doing so is in the House's hands. Let us ensure it is passed before Christmas.

Senator Niall Ó Brolcháin: I commend the comments of Independent Members, in particular, as I would like the Leader to arrange a debate on the need to stimulate the economy. There is a great deal of doom and gloom, but we also need to remember the positive aspects. I have in my hand a report that presents many issues in a positive light and there are still many good developments occurring. For example, eight of the world's top ten pharmaceutical companies are based in Ireland, as are 15 of the top 20 medical device companies, more than half of the top financial companies and eight of the top ten technology companies. We attract more inward investment from the United States than Brazil, Russia, India and China combined. We produce enough beef to feed 30 million Europeans. Ireland is the largest exporter of beef in Europe and the fourth largest in the world. We export 80% of our dairy products, 15% of the world supply of infant formula, eight of the world's top prescription drugs——

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

Senator Niall Ó Brolcháin: Yes.

Senator David Norris: We want as much good news as possible.

Senator Niall Ó Brolcháin: I want to share some good news with the House because we have heard enough bad news.

Senator David Norris: Yes.

Senator Niall Ó Brolcháin: Some 24,000 people are employed in medical technology companies in Ireland, the exports of which are valued at €6.9 billion per annum. Irish companies have invested €189 billion abroad, whereas foreign companies have invested some €169 billion here. These are up-to-date figures.

Senator Maurice Cummins: Is that a question to the Leader?

Senator Niall Ó Brolcháin: Half of the world's fleet of leased aircraft are managed in Ireland. Some 16,000 people are employed in forestry, a sector that has exports valued at €1.9 billion. Funds to a value of some €1.4 trillion are managed in Ireland. The value of exports has increased significantly, while the value of imports has decreased. Senator Donohoe referred to

industrial disputes. The number of man-days lost has decreased from 66,000 last year to 1,000 this month, for which workers are to be commended. I hope the trend will not move in the wrong way. I am aware of the green energy figures, but a potential doubling in green energy over the next three years, as was done over the last three, is very good news for this country. All the draconian stuff in the four year plan is one thing, but by God if we look at the positive side, we may not have to implement many of those items, the things we do not like, and the cherry-picking that Senator Alex White talked about if we stimulate the economy. That is what we need to focus on right now.

Senator Paul Coghlan: I, too, strongly support Senator Cummins's request to the Leader for a further debate on the recovery plan. Amazingly, the plan makes no mention of the banks, for which the great bulk of that €85 billion loan package is intended, regardless of whether it is drawn down or is to be the backstop or the firepower that has been spoken about so much on the Government side of the House. We need to hear more from Government about the possible amalgamation being mooted between Anglo Irish Bank and Irish Nationwide Building Society for a Fine Gael-type bad bank, which might not be a bad thing, for the transfer from the other institutions of the distressed and impaired loans that did not make their way into NAMA. It is very important that we have a debate on the plan, especially the banking aspects.

On another issue, the Supreme Court handed down a most important unanimous judgment yesterday on the challenge to the Mahon tribunal by O'Callaghan, Quarryvale and others. That is an extremely significant decision because, I presume, the tribunal report could not be published until the challenge to its publication or whatever was out of the way. Now that it is out of the way, it is vital the House debates the report the minute it is available. Naturally, it covers very important matters to do with planning, alleged corruption and all the rest, but the recommendations of the Mahon tribunal are matters of concern to every citizen, and it is our place to have a debate on it. I am sure the other House will want to do the same. Perhaps the Leader can enlighten the House as to what the Government knows about this matter.

Senator Ivor Callely: I am deeply concerned at the escalation of serious crime and that the value placed on human life has now broken the Richter scale. The shooting dead of Glenn Murphy and Mark Noonan in a north Dublin shopping centre early yesterday is a step too far, and I offer my condolences to the family and friends of these two young men. Will the Leader agree to have a debate on policing and request the Minister for Justice and Law Reform to outline the policies to address and resolve gun crime?

On a better note, I draw the attention of the House to a tremendous programme on RTE the other night on the subject of young carers. It showed the outstanding commitment, love and care by young people that needs to be recognised and applauded. It was absolutely fantastic. I salute all the young people, including those who featured on the programme, who are caring on a 24-7, 365-day year basis. They do tremendous work and, from the viewpoint of a former office holder, I recognise that the State could never provide what volunteers do in this regard.

I also pay tribute to the Carers Association which carries out tremendous work and needs to be supported in every way possible. I ask the Leader to request the Minister to work with the Carers Association for all the carers who are doing tremendous work and, in particular perhaps, to focus on appropriate recognition for young carers.

Senator Fidelma Healy Eames: The four year plan published yesterday, although necessary, will obviously mean a great deal of pain for all our people. I am not at all clear about what it is to achieve, however. It was decided the €15 billion in the plan was needed before the bailout figure of €85 billion for the banks. Given the bailout figure and there is no mention of the bank debt in the four year plan, is this plan capable of meeting our bailout repayments? I do

[Senator Fidelma Healy Eames.]

not believe it is. Neither do I believe we are at all clear about what this plan will achieve exactly. Is it just to achieve our deficit reduction, and do we know exactly how much the banks owe? We started off with €4 billion, but it then went to €34 billion, then €40 billion and now we are at €85 billion. I am concerned that we do not have a handle on it and some market analysts are saying it could be in the region of €250 billion. We need absolute clarity from the Governor of the Central Bank and the Minister for Finance on how much the banks owe. If we do not know what we owe, how can we know what we have to repay?

Looking at the four year plan, we all agree that education is the driver of growth, yet we see that students and their families will really be paying the price. There is a €500 hike in the registration fee for third level students, while no one is talking about the €200 hike for PLC students. In many cases these are disadvantaged students, educationally and socially. Like others, I ask the Leader to advance the Student Support Bill through this House before the recess. It is before the select committee today. If we are really serious about the future of the country, which is in the hands of our students, whom we expect to pay for our pensions in the future, then let us serve them well.

Senator Mark Dearey: On an important point of information, the €85 billion is a single figure that covers both borrowing for current expenditure and the banks. Some €40 billion of it will go towards covering the current spending deficit, as I understand it.

Senator Fidelma Healy Eames: Is the Senator sure?

Senator Mark Dearey: I am sure.

Senator Fidelma Healy Eames: The Senator is sure. It is on the record. That is fair enough.

An Cathaoirleach: No interruptions, please.

Senator Mark Dearey: If Senator Healy Eames checks with the Members around her, they can confirm it. I raised the matter yesterday, to which I would appreciate a response while understanding why it was not possible to get one in the context of yesterday's debate, about the need to inject greater expertise into the dealings of the Oireachtas and the public service, generally. I proposed that a partial list system might allow parties to make key appointments in finance as well as in other areas where expertise on the floors of these Houses would be of great value. I ask again that the Seanad be given the opportunity to debate this, given the crisis in which we find ourselves.

On the implications of the four year plan for local government, I foresee enormous changes for councillors once the various charges scheduled for local government are collected. It will not be, from 2013 on, the job it was. There are also implications for local authorities that do not have a collecting function for local government finance. They will find that their wealth is, in effect, going to an authority on which they do not have representation. There are profound implications for local government in this. I am aware of them, as I know is the Minister for the Environment, Heritage and Local Government. We must not lose sight of the repercussions these necessary measures will have on how local government functions. It highlights the need for local government reform in order that local authorities that continue to exist will have revenue raising and spending functions. That is an essential principle we need to pursue.

I welcome some of the measures in the plan dealing with enterprise, stimulus, the retention of the 12.5% corporation tax and the extension of the PRSI scheme for employers. I worry about the VAT issue, however, and believe we need to return to it. I spoke last week about

how sensitive a question VAT is for Border areas, and this is something we need to examine in much more detail.

Senator Rónán Mullen: I support what Senator Mooney said on the Order of Business. It was an excellent example of a contribution that does not involve a question to the Leader but which none the less needs to be heard in the House and, as such, is worth noting. The key issue is that we need to keep our dignity as a nation, and that applies to the people who will be out marching. It pains me to turn on an international news channel and see Ireland at the top of the agenda and to think that the way we behave may be making matters worse in this regard. I ask people to by all means have their protest but to keep their dignity. In this regard, I regretted the chaotic manner in which it was announced we would be having an election in the new year. It should have been possible for those in Government and leaders of the Opposition to talk about this following which a statement could have been issued saying that Ireland will go to the polls in April, May or June 2011. The manner in which it was announced reflects badly on us. It shows us as a nation whose leaders are at sixes and sevens, which is to be regretted. There is time to learn from this and to get things right.

I compliment and support Senator Quinn on what he is trying to achieve by way of the construction contracts Bill. It is important we take a bipartisan approach to this Bill and that we lead by example on this issue, as Senator Quinn has done. On the four year plan, the Government is at pains to stress balance in terms of protecting necessary areas, namely, education and innovation. Hard choices will have to be made. I wish to make a plea on behalf of education. The change in name of the student support charge to a contribution to higher education at least has the merit of honesty. Up until now we have had a reintroduction of fees by the backdoor. We need to monitor any reduction in expenditure in education.

An Cathaoirleach: Time Senator, please.

Senator Rónán Mullen: A reduction in the number of teachers in schools may lead among other things to ordinary and higher level class groups being taken together. This will hit the weakest. The students who may have learning disabilities will not get the attention they need. Although hard choices have to be made, we must continue to be discerning in the making of those choices. This is nowhere more necessary than in the area of education.

Senator John Hanafin: I call for a debate on the four year plan. I am conscious of the forthcoming budget. People are being asked to take cuts, which have been as fairly spread as possible. I am conscious of an area in which there are not cuts, namely, semi-State companies which are State companies with a commercial entity. The heads of these companies are being paid in excess of €500,000, often €700,000. In the good times, we were told by the bankers earning €2 million or €3 million plus bonuses that we had to pay top dollar to get professionals. They went so far as to suggest that if we paid peanuts we would get monkeys. If Bobo in Dublin Zoo had been looking after the banks we would have done much better. The reality is that we need to examine the salaries paid by the State to people in semi-State companies that are causing people to be scandalised. A salary of €700,000 is totally unacceptable and a cap should be put on those salaries.

I am cognisant that this morning an official from Commissioner Rehn's office has suggested that the people who hold senior debt in the banks should take a write down. If this is the case, it is a game changer. Europe is now suggesting, if this is correct, that the senior debt should be restructured. I suggest we have a full debate on this matter, in particular in light of the comments made by Mr. David McWilliams that these people should be requested to take shares in the banks, which is a standard practise in the United States. If Europe is suggesting to us that

[Senator John Hanafin.]

senior debt should not be paid to those in the banks who took a commercial risk, we should give this serious consideration.

Senator Paul Bradford: It is fair to say that Ireland has many needs and that there is much in regard to which we should be united in the context of the national recovery plan and possible amendments thereto. We clearly need a political debate on the choices facing this country in the lead up to the general election which will take place in the next few weeks or months. What we do not need is to allow the country to descend into chaos caused by people who believe a campaign of civil disobedience will somehow help turn around our economic plight. What did civil disobedience do for the workers in Greece? I imagine it did little. What did a campaign of civil disobedience on the streets of Paris and throughout France do for working people? It did nothing. Those who believe that a campaign of civil disobedience can help are from a different era. We often speak in this House of the need for new ideas, new beginnings and new politics. Civil disobedience is from a different time, place and society. It will cause nothing but harm.

In the next few weeks or, at maximum few months, we will all have an opportunity to put forward our views in regard to how our country should be run by way, not of a campaign of civil disobedience but a general election campaign. I hope that union representatives who are advocating a campaign of civil disobedience will reflect on the negative connotations of that type of worn out, claptrap ideology. They will have an opportunity during the general election to present their views and to advocate particular parties and candidates, which is a healthy way of bringing about democratic change. Anyone who suggests that civil disobedience is the only way forward is insulting democracy, political parties and the public. The public in a general election campaign can make up its mind about the future direction of this country. We do not need street protests. From an economic and social perspective, it is the last thing we should be talking about. I agree with my colleagues Senators Donohoe and Mooney on that matter.

Senator James Carroll: I call for a debate on the four year plan. I received numerous calls on this matter to my constituency offices in Drogheda and Ardee this morning. People are asking where are the job creation strategies of the plan. However, the State cannot click its fingers and create thousands of jobs. The four year plan creates the conditions for the creation of those jobs, as highlighted this morning by numerous Ministers.

Another big issue, in regard to which Ireland will be only a bit player, is the debt of Portugal, Spain and the eurozone. It is important we have a debate on this issue and, as suggested by Senator Hanafin, debt restructuring in terms of whether senior debt holders should be forced to take equity in the banks, thus taking ownership of the problem too.

On a lighter note, I heard numerous discussions on the radio this morning in regard to Christmas presents for teachers, in respect of which it is estimated €250,000 per annum is spent. This is putting pressure on parents of not so wealthy means. I propose, and encourage the Leader to support this, that every school going child be encouraged to bring in €2 and that this money be given to a local charity or local St. Vincent de Paul Society conference. This would have more of an impact than would presents left lying at the bottom of cupboards and wardrobes. It is a simple proposal but one which I ask the Leader to support.

Senator Donie Cassidy: Senators Cummins, O'Toole, Alex White, Boyle, Donohoe, Walsh, Norris, Mooney, Coghlan, Healy Eames, Deary, Hanafin, Bradford and Carroll called for further debates on the four year national recovery plan. I thank all colleagues who participated in the magnificent debate we had yesterday in the House on the four year national recovery plan. The Seanad was the first House to debate the plan yet there was no mention in the media

of the fact that we were discussing it within two hours of its publication. I thank the Whips, leaders of the Opposition and Members for their magnificent contributions to that debate. I also thank the Minister of State, Deputy Mansergh, who participated in the debate.

Various issues have emerged from the plan, including job creation and growth. As stated yesterday by the Minister and Taoiseach, parts of the plan will be covered in the budget. The returns for November-December, which are two of the best trading months of the year, will be crucial in terms of accuracy of the budget, due on 7 December. I will have no difficulty in arranging time to continue our deliberations on the plan, but the Croke Park agreement is crucial. The reason we have taken on the agreement in this House is that we wish to hold to account those charged with responsibility under it. The Minister of State, Deputy Calleary, who was appointed by the Taoiseach has special responsibility to ensure those responsible for the changes and implementation of the agreement are doing so. We will monitor implementation of the agreement, as I said, on a four-week basis and have the issues debated. There are many parts to the agreement and the national plan can also be debated. The problem is we have so much legislation coming before us for consideration.

Senator Maurice Cummins: Where is it?

Senator Donie Cassidy: I did not interrupt the Senator.

Senator Maurice Cummins: The Leader said that yesterday.

Senator Donie Cassidy: It is crucial that those responsible for implementation of the Croke Park agreement are held accountable and that is what this House will do.

Senators Cummins, O'Toole, Norris, Keaveney, Healy Eames and Mullen are correct to call for a debate on the 60,000 outstanding applications for student grants that are urgently needed. I will do all I can to highlight this issue with the Minister for Education and Skills following the Order of Business and, if possible, will invite her to the House to update us in this regard. Some good ideas were proposed. Senator O'Toole proposed a one-stop-shop, while Senator Keaveney who has a great deal of expertise in this area said everybody should have his or her application made in good time and that all of the preparatory work could be done months ahead of making the application.

Senator Keaveney called for a debate on domestic violence. I will consider this request, particularly in the context of our Private Members' time. She also referred to the digital change-over, an issue I covered yesterday. I fully support her in everything she is trying to achieve in this regard, particularly on behalf of people living in County Donegal. It was only when we were fighting the by-election campaign that we fully understood the importance of this issue. As she said, the people mentioned are as entitled to receive a quality television signal as anyone else in the country and we must make sure this happens.

Senators Cannon and Ó Brocháin called for a debate on enterprise. When filling in as Acting Leader, Senator Ó Brocháin responded thoroughly to Senator Cannon on this issue. He outlined to the House an uplifting list of achievements, but I will have no difficulty in having such a debate in the House, if time permits, before Christmas.

Senator Quinn referred to his Construction Contracts Bill 2010. I am doing everything I can and would like to have a word with him following the Order of Business to see how I can progress it. The legislation committee, chaired by the Government Chief Whip, met last Thursday and I pushed strongly to have the Bill advanced. It is my intention to have all Stages of the Bill concluded in the House within the next two weeks. What is happening to honest, decent, hard working families who for generations have provided employment and manufactured the highest quality products is completely unacceptable, particularly when we realise that

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one company ones money to 1,620 other companies and families. It is outrageous and should not be allowed to continue. Unfortunately, I understand three or four further serious announcements are imminent. It is absolutely shocking when one sees companies in my area with their vans and trucks trying to protest and bring to the attention of the people their serious plight. They often employ more than ten or 15 people. Shane Murtagh and Floods employed between 400 and 600 people only two years ago, all of whom are caught up in the collapse and the liquidation. I assure Senator Quinn that, following our meeting after the Order of Business, I will seek an urgent meeting with the Minister for Finance to see how we can progress the Bill and ensure it will be passed by both Houses and enacted before Christmas.

Senator Coghlan called for an update on the planning regulations and the court case and announcement made yesterday. I will arrange this debate in early part of the spring session.

Like Senator Callely, I extend our condolences to the families of the two young men who were shot dead on Tuesday night. It is appalling and horrific. I will have no difficulty in holding a debate on gun crime, policing and the challenges facing the Garda. The Senator also called for our full support for carers. He referred, in particular, to the heroic work done by young carers. There are 160,000 carers, most of whom deserve a gold medal because they are the unsung heroes of our society. I agree with the Senator that we should give total support to them. I will pass on his comments to the Minister for Health and Children.

Senator Dearey referred to the list system. I recognise that such a system would allow parties to appoint experts to help them and will arrange a debate on the issue. Perhaps we can discuss it the next time his party raises an issue during Private Member's time. He also referred to the reform of local government. Local government will face a serious challenge under the four year plan. Therefore, the call for a debate is timely. We will have it early in the spring session also.

Senators Mooney and Mullen stated we needed to keep our dignity as a nation. I fully share their sentiments.

Senator Carroll, our youngest Member, suggested students should not be expected to give Christmas presents to their teachers, particularly in this very difficult economic time. It is a sensible proposal which I support and will pass on to the Minister for Education and Skills.

Order of Business agreed to.

Renewable Energy: Statements

An Leas-Chathaoirleach: I welcome the Minister of State, Deputy Ciarán Cuffe.

Minister of State at the Department of Environment, Heritage and Local Government (Deputy Ciarán Cuffe): I apologise for the delay in getting to the House. The threat of climate change will have implications for this and future generations. Ireland must play its part in tackling this threat. We must continue to do our part to help reduce global emissions and, by doing so, create a viable and climate resilient society and economy at home. By achieving firm targets to increase the use of renewable energy, we will reduce environmental degradation significantly and contribute to mitigating global problems such as climate change. Energy consumption is unavoidable which means the energy sector in Ireland is a key player in our economy. Unfortunately, we suffer many disadvantages where energy is concerned owing to our size and island location. Our isolation from the European energy infrastructure accentuates the need for security of energy supplies, efficient energy infrastructure and the development of indigenous energy infrastructure. Ireland, as a country, has immense potential for the development of renewable energy both on and offshore. The development and expansion of the use of renewable energy, together with measures aimed at reducing our energy needs and a more

efficient use of energy, are important in meeting our climate change objectives and priorities, both nationally and at European level. A significant increase in renewable energy and the protection of the environment are, therefore, mutually reinforcing goals.

The renewable energy sector has seen a significant number of policy initiatives in recent years, most notable among which have been the 2007 energy White Paper and the 2009 renewable energy directive. These documents have had important ramifications for renewable energy policy. In the first instance, the White Paper sets overarching targets for penetration of renewable energy in the electricity, heat and transport sector. These targets are now 40% renewable electricity, 12% renewable heat and 10% renewable energy in transport. The renewable energy directive, on the other hand, sets a binding 16% penetration of renewable energy across the various sectors, and a binding 10% penetration of renewable energy in transport. Achieving these targets will assist Ireland's attempts to meet its commitments under the Kyoto Protocol and the Copenhagen Agreement. The national renewable energy action plan, NREAP, sets out the Government's strategic approach and concrete measures to deliver on Ireland's targets. The development of renewable energy is central to overall energy policy in Ireland. Renewable energy reduces dependence on fossil fuels, improves security of supply and reduces greenhouse gas emissions, creating environmental benefits while delivering green jobs to the economy, thus contributing to national competitiveness. Climate change, energy security and competitiveness are inter-related challenges that will be addressed through the transforming of Ireland's economy from one based on fossil fuel dependence to a low carbon economy based around energy efficiency, renewable energy and smart networks.

The important role played by European Union directives in this area should not be underestimated. The 2001 renewable electricity directive was instrumental in establishing market frameworks and technical rules around renewable electricity, as were previous bio-fuels directives. Crucially, however, the 2009 renewable energy directive will play an even more central role in the development of renewable energy across Europe in the years to 2020. This directive sets individual binding targets on each member state for a total penetration of renewables by 2020, with Ireland receiving a target of 16%. It also sets a universal target of 10% renewable energy in transport by 2020 across all member states. These targets and the widespread acceptance of the need for them from across the EU set the tone for the development of the sector and, as I will explain, present some major opportunities for Ireland. The Government has set a target of 40% electricity consumption from renewable sources by 2020. In the past five years in particular, Ireland has made big strides in accelerating renewable generation. In the 2001 directive on renewable electricity, Ireland was set a target of moving from 3.6% penetration of renewable energy to 13.2% by 2010. Ireland achieved 14.4% in 2009 and is on track to exceed the national target of 15% in 2010. All key national entities, including the energy regulator, the distribution and transmission system operators and the renewable energy sector are working with the Government to deliver the 2020 target through grid connection and grid development strategies.

The significant growth in electricity from renewable sources in recent years is largely attributable to wind energy. As Ireland moves towards achieving the target of 40% electricity from renewable sources by 2020, the Irish grid increasingly is having to cope with the challenges posed by large amounts of intermittent power. The Irish transmission system operator, EirGrid, is involved in a detailed examination of the issues and pioneering several renewables facilitation studies with a view to ensuring the appropriate management of the grid and stability of the electricity system during the transition. The all-Ireland single electricity market, overseen by the regulatory agencies North and South, is evolving continuously to take account of the growth in renewable energy. Importantly, there is widespread acceptance that renewable electricity can bring down wholesale electricity prices, with obvious positive effects for consumers.

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Together with the significant contribution of large-scale generation, the introduction of a robust framework for the development of a vibrant microgeneration sector is an important component of building societal acceptance of energy infrastructure and ownership of the national renewable energy targets. The microgeneration sector has the potential to create employment and enable participation by a wide section of the community. The Government is committed to developing a comprehensive microgeneration framework which will be taken forward up to 2020.

Ireland's ocean territory extends to 89 million hectares and encompasses a wealth of natural resources. The sea area is ten times the size of the land area and one of the best wind and wave resources in Europe. Our marine environment can provide a vast amount of energy through offshore wind, wave and tidal energy technologies. I have recently published a draft offshore renewable energy action plan, with a strategic environmental assessment of low, medium and higher marine renewable energy development scenarios, to inform policy decisions as we develop this new industry. It is now open to public consultation and everyone should give his or her views on how it should develop, with appropriate consideration given to economic, environmental and other factors. The assessment has considered the potential impact of scenarios for developing up to 4,500 megawatts of offshore wind and 1,500 megawatts of wave and tidal energy, irrespective of commercial viability or other constraints and independently of the existing onshore power transmission grid.

We must develop the strategic approach needed to marry the delivery of increased renewable energy capacity with other key environmental objectives and obligations. We must avoid and minimise the potential environmental downsides of renewable energy development. It is also essential that sustainability in the energy sector is managed in a manner that secures the international competitiveness of Irish energy prices.

The continued development of our sustainable energy platform is of vital social and economic importance. If we get this right, Ireland can be at the forefront of developments internationally. If the full extent of the marine renewable energy potential is developed and tapped, Ireland could not only harness this electricity for domestic consumption but also become a net exporter of electricity from renewable sources to Britain and mainland Europe. To that end, on 3 December, the Minister for Communications, Energy and Natural Resources will sign a memorandum of understanding on the north seas offshore grid initiative. This initiative involves a co-operation agreement between EU member states with north seas access, including Norway, with a view to the consideration of appropriate offshore electricity transmission infrastructure required to develop a large-scale offshore renewable energy system in northern Europe. There are no immediate financial implications, but the potential long-term benefits for Ireland, given our resources, are startling. We have already begun work on a first interconnector with Britain, a 500 megawatt link that will come into operation in 2012. This is a vital step, but only a first step in the interconnection of European electricity systems.

The Government has set a target of 12% renewable heat by 2020. A series of related and complementary support programmes such as the combined heat and power deployment programme, the reheat programme and the greener homes scheme have been put in place to address the delivery of this target, aimed at supporting both the demand and supply sides. More combined heat and power plants are being built each year using biomass feedstocks such as wood, energy crops and waste. In CHP plants heat produced from the electricity generation process is also captured for use in projects such as district heating schemes and drying plants. Currently, the amount of heat from renewable sources stands at 3.6%.

For historical, geographical and demographic reasons, renewable heat poses considerable challenges for Ireland, challenges which the Government is determined to address. To that end, work is nearing completion on a new framework to ensure delivery on these targets using the full range of resources available, with an initial focus on the biomass sector but also including geothermal resources in due course. The Department, in conjunction with all stakeholders, is finalising a roadmap for the development of the bioenergy sector in Ireland.

Ireland will need to mobilise biomass from all available sources. Historically, only a small proportion of Ireland's land area has been covered by forest. Recent afforestation has helped to bring the amount of land area covered by trees to 10%. However, the rate of afforestation in Ireland is the lowest in Europe and Ireland needs to encourage further expansion of its forests. We also need to incentivise the growth of energy crops. To these ends, the Minister for Agriculture, Fisheries and Food has been running schemes to encourage afforestation and the growth of shorter rotation energy crops such as willow and miscanthus. I was pleased to see so many willow and miscanthus growers with stalls at the National Ploughing Championships a couple of months ago.

REFIT, the renewable energy feed-in tariff, is designed to provide certainty for renewable electricity and heat generators on the price they receive. In operation for wind and hydro power since 2006, it acts to ensure a guaranteed price for each unit of electricity exported to the grid by paying the difference between the wholesale price for electricity and the REFIT price. In effect, this means that as electricity prices increase, the amount paid under REFIT falls, mitigating the effect on the consumer. Reflecting the need to support the development of biomass, the Minister for Communications, Energy and Natural Resources announced in May new tariffs to include supports for renewable energy generated from biomass. The guaranteed support price will range from 15 cent per kilowatt hour to 8.5 cent an hour depending on the technology deployed.

The 2007 bioenergy strategy committed to 30% co-firing in the three peat-fired power stations at Edenderry, west Offaly and Lough Ree, which would mean a demand of approximately 900,000 tonnes of biomass per annum. Large-scale trials have been under way at Edenderry for several years, where in excess of 75,000 tonnes was burned in 2009. Smaller scale trials are under way in the two other plants. The trials have been largely successful to date, although there remain concerns about the effects combusting some of the feed stocks, including miscanthus, may have on boilers in these stations. Further testing is under way to evaluate this. The testing programme is critical in determining the likely success of the co-firing programme; the power stations were designed and built to exclusively burn peat and it is important that a range of engineering, logistical and process questions are answered before setting out long-term policy measures which would have significant cost implications for the consumer.

Taken together, REFIT and co-firing will foster the development of a robust and sustainable biomass supply sector in Ireland. They will drive demand for biomass and support the measures in place such as the reheat programme and the energy crop grant schemes run by the Department of Agriculture, Fisheries and Food.

Ireland's transport sector is hugely dependent on imported oil and the Government is working to transform this dependency. A two pronged strategy has been put in place which combines significant increases in the use of bio-fuels with the accelerated development and use of electric vehicles in Ireland. The national bio-fuel obligation scheme, introduced in July, obliges all road transport fuel suppliers to use bio-fuels in the fuel mix to ensure they represent a certain percentage of their annual fuel sales. The initial penetration rate is 4% per annum, to be increased over time. The bio-fuel obligation will ensure Irish consumers will have access to appropriately priced, sustainable and reliable sources of bio-fuel in the coming years. In so

[Deputy Ciarán Cuffe.]

doing, this will give an important incentive to domestic bio-fuel production. It is pleasing to note that in the first three months of operation the penetration rate of bio-fuels used in Ireland was just over 4% — the obligation is already achieving its targets. However, the Government has set a target of 10% of all vehicles to be powered by electricity by 2020. To that end, all relevant Departments and agencies are working intensively to position Ireland at the forefront of electric vehicle deployment. It is estimated that replacement of 10% of cars, vans and buses in Ireland with hybrid and battery electric vehicles could reduce national CO₂ emissions by 350,000 tonnes annually and help towards reducing Ireland's dependence on imported fossil fuels.

The Government is taking a broad-ranging series of initiatives on electric vehicles, including the signing of memoranda of understanding with a number of motor manufacturers, the provision of appropriate supports for customers and a commitment to a large scale national roll-out of infrastructure for electric vehicles. The size and geography of Ireland make the country uniquely suitable for electric vehicles, and the Government is ensuring that Ireland becomes an early test bed for this technology and that it takes full advantage of the potential benefits associated with using electricity from renewable sources in transport.

The Government, along with the ESB, has agreed a memorandum of understanding with the Renault-Nissan alliance to ensure a supply of electric vehicles to the Irish market. A range of electric vehicles will be available in 2011 from a number of manufacturers. By the end of 2012,

most mainstream motor manufacturers will have a number of electric vehicles available for sale; in other words, electric vehicles will have gone mainstream.

12 o'clock Beginning in 2011 and running for two years, a grant support scheme will be available to assist in the purchase of battery-powered electric vehicles and plug-in hybrid electric vehicles. Grants of up to €5,000 will be given towards the purchase of these vehicles. These grants will be available for up to 6,000 vehicles and will be in addition to the VRT exemptions and VRT reliefs that currently apply to the purchase of new electric vehicles.

The ESB is currently rolling out 1,500 publicly accessible charge points for electric vehicles, which will be in place by the end of 2011. These will be located in every city and town with a population of more than 1,500. In addition, 2,000 domestic charge points will be installed. As well as the above, 30 fast chargers will be built 60 km apart along all major inter-urban routes. It is increasingly clear that the electrification of transport will accelerate over the coming years, with positive impacts in terms of reducing transport-related emissions and ensuring security of energy supply.

Senator John Paul Phelan: I welcome the Minister of State. I am deputising for my colleague Senator O'Reilly, who is out of the country today.

There were a couple of things in the Minister of State's comments on which I would like clarification. We all agree there is major potential in Ireland for the production of energy from renewable resources, and we have made great strides in the last few years, most notably in terms of wind energy and particularly on-shore wind energy. My area of County Kilkenny is the only region of Kilkenny in which there are wind turbines, and I have always been an enthusiastic supporter of the potential of wind energy. I was struck by the Minister's comment on the potential for developing offshore wave and tidal energy, which the Minister, Deputy Ryan, has mentioned many times.

I wonder whether the Minister saw, two weeks ago, the scrapping of the proposed Severn barrage in Britain, which had the potential to create a lot of energy, although I cannot remember the exact figures. The British Government decided to drop it due to cost issues and objec-

tions from environmental activists, and went for the alternative of building a new nuclear power plant. I am not suggesting that we should go down the route of building nuclear power plants here, but I wonder whether there is potential in some of our estuaries for structures similar to the proposed Severn barrage.

I also noted the Minister of State's mention of the electricity interconnector. Is this still on course for completion by 2012? The Minister of State also mentioned the level of afforestation in Ireland. I was struck by his comment that Ireland's rate of afforestation was the lowest in Europe and Ireland needs to encourage further expansion of our forests.

Deputy Ciarán Cuffe: It was a reference to the rate of forestry cover.

Senator John Paul Phelan: The rate of forestry cover is the lowest in Europe. That is fair enough. I agree with the objective of having more forestry cover, but the sad reality, from the last couple of budgets we have had, is that there have been drastic cuts in the grants provided for people who want to plant their land. Once a farmer or landowner takes the initiative in setting aside land for forest, the land is gone out of circulation and there is no alternative and no income source other than grants and the thinnings that can be taken from time to time. The grant structure is essential if we want to see an increase in the amount of land planted in the next few years. Yet the Government's policy has been to reduce the level of grants significantly for those who have planted forest on some or all of their farms.

I am also interested, perhaps purely from the point of view of being a nosey politician, in the Minister's comments about combined heat and power plants. In the formerly Communist countries of Eastern Europe there is a tradition of plants' providing heat for houses in the vicinity and indeed for whole towns. The Minister mentions that 3.6% of our heat comes from this source. I would like to know what this 3.6% is and where it comes from, because I was not aware we had any.

Another issue that people raise with me every now and then is that of electric cars. Many people have a view — the Minister of State might enlighten me on whether this is correct — that because the production of some hybrid cars releases large amounts of carbon dioxide and they contain large lead batteries which present the potential for significant environmental impact when these cars go out of use, they are not necessarily the clean vehicles we are sometimes led to believe they are. I am not saying I believe this is the case, but I ask the Minister to outline his views on this in his concluding remarks.

On the issue of wind generation, I would like to raise with the Minister a point that has been brought up several times with the Department of Communications, Energy and Natural Resources by the Irish Wind Energy Association, that is, micro-generation. If a farmer, or somebody running a small business, installs a back-up energy supply in the form of a generator, he will get VAT back on the purchase of the generator, but if he wishes to install a small wind turbine, the 3.5% VAT rate will still apply. That seems to be an anomaly. It has been raised by the IWEA a few times but it has not received a satisfactory reply. In addition, the tariff paid to producers of wind energy in the Republic is significantly lower than that in Northern Ireland. Maybe there are specific reasons for this; the Minister of State might explain this in this concluding remarks.

One of the proposals included in the renewed programme for Government was a climate change Bill. Without wishing to be political, I must point out that the Green Party is semi-detached from the Government following its announcement on Monday. Where stands the

[Senator John Paul Phelan.]

climate change Bill? If we are to have a general election in January, February or March, when will the Bill come before the Houses?

Fine Gael has produced, through Deputy Coveney's NewERA document, proposals on how the Government will lead by example in sourcing the energy used in Government Buildings and in Government facilities around the country. If we are to achieve our target of reducing our dependence on fossil fuels, State agencies and authorities must lead by example. Deputy Coveney's document mentions this specifically. I am aware the Government has mentioned a similar objective which has not yet come to fruition, but the Minister of State might be able to enlighten me if I am incorrect.

A media report earlier this month indicated the Government was to seek EU approval within a few weeks for a renewable energy subsidy that would unlock early investment of €3 billion in offshore wind farms. In his concluding remarks the Minister of State might be able to clarify whether the Minister, Deputy Ryan, or whoever is handling it has been successful in getting that funding. Obviously wind energy installations by their nature are very costly in terms of their initial outlay. Needless to say wind turbines built offshore would be significantly more costly and therefore the need for that additional €3 billion is quite obvious. Perhaps the Minister of State might have some good news for us on that point.

We have made significant strides with nearly 15% of our energy produced from renewable sources. From media reports I researched before this debate, I believe that on one day in April 50% of our energy was produced by wind. However, the difficulty with wind is that we cannot be guaranteed it will blow every day and there will be gaps in supply that will need to be met from other sources.

Most of my contribution has comprised questions to the Minister of State and I hope he will be able to provide answers to some of the issues I have raised. It is good to have this discussion. When I was a member of my local authority I remember being involved in drafting the wind energy strategy in County Kilkenny. At the time the officials took a very narrow approach to it and were considering a couple of areas in the county which were largely Coillte owned forests for locating wind energy facilities. However, since then following the intervention of the much maligned councillors, other areas were opened up and wind turbines have been built without significant local objection. They are succeeding in providing a significant amount of energy when one considers the sparse population of such rural areas. I have always been convinced of the potential of wind energy and am a firm supporter of the investment the Government has made in wave and tidal energy, in which we must invest. Our fossil fuels will run out at some point in the future and given that Ireland is so dependent on those fossil fuels, any potential price increases in the future could have seriously detrimental effects on the economy. It is our responsibility to produce as much energy as we can from our own renewable sources. It is the one area in which I am in complete harmony with the Green Party, which has done good work in that regard both in its time in government and before it went into government.

Senator James Carroll: Will the Senator say that during the election campaign?

Senator John Paul Phelan: I will because we have the wind turbines in my part of the world and I know the Green Party Member in my area was very supportive of them, and it is something on which we agree. Before I get too political, I will leave the debate at that.

Senator James Carroll: I welcome the Minister of State, Deputy Cuffe. Two weeks ago I had the pleasure of attending the Spirit of Ireland presentation in the AV room in Leinster House

which highlighted the potential of our west coast. The presentation stressed that Ireland's west coast was like the Saudi Arabia of renewable energy with reference to the oil resources Saudi Arabia has. In his reply the Minister of State might outline what he believes will happen with the Spirit of Ireland project. That group has a great idea and energy, and has enthusiasm for Ireland inc. as a whole. I would be concerned that its plan is so broad that it would involve many local authorities as well as national planning bodies. While I know the Minister, Deputy Ryan, is a great supporter of the project, how will we tackle that issue? For example, if Clare County Council and Limerick County Council decide to take opposing views on an area, would that sound the death knell for the project? I hope it does not because I was struck by the group's enthusiasm and positivity, from which many in this House and the media could learn a lesson.

I will touch on nine specific areas and I would appreciate if the Minister of State could reply on as many as he can. When I was in college many people spoke to me — and since then have lobbied me — about the issue of nuclear energy. People have strong views one way or the other. Some are so in favour of it that they see it as a foregone conclusion and that within 15 or 20 years the debate will not be if but when we will incorporate nuclear energy into Ireland, whether that is importing it or seriously considering having a nuclear power station. The other camp, into which I fall, argue that nuclear waste is such a problem and will be such a toxic problem into the future that we cannot even go there and we need to examine fully all the alternatives where the waste is not as damaging to the country. Just as the national recovery plan has done, many party election manifestos will need to lay out a one, five, ten or even 20 year plan for the country and I would be interested to get the Minister of State's comments on that.

Two weeks ago I submitted a pre-budget submission to the Minister for Finance and members of the Cabinet, and I also sent it to all Deputies and Senators. It proposed reducing the VAT rate to 5% on labour intensive and energy saving materials. I have seen the success of the home energy saving scheme and many people have contacted me about it in my constituency offices in Ardee and Drogheda. I have been encouraging as many people as possible to get this work done for two reasons. First, it reduces people's energy bills and while it might require an initial outlay, the grant is so generous that within a short period of time people start to save money. Second, it provides local jobs to one and two-person firms which have spent money getting themselves registered and should be rewarded for that work. My budget proposal is allowable under the EU Sixth VAT Directive and is being considered and operated in other countries, including Italy, Belgium and even Britain in respect of the Isle of Man. It has been extended to December 2016 regarding the use of a reduced VAT rate. The benefits are to reduce energy bills and to sustain and possibly create employment.

Regardless of people's objectives or their own selfish reasons, the SEAI report indicates the State has serious obligations coming down the track regarding our carbon credits. In addition I know the Department of Finance is concerned about tackling the black economy. The problem at the moment is that we have people on social welfare who are doing jobs for one or two days on people's houses. We need to get these people into the formal economy. The Italian Government has taken a number of measures working through the Sixth VAT Directive and others, resulting in 35,000 companies coming from the black economy into the formal economy. We should consider developing a serious plan in that regard.

The Minister of State stated that we could export our energy to the UK or to mainland Europe and the Spirit of Ireland is an integral part of that, coupled with other elements. I am very heartened that the export side of our economy is booming. Last weekend I met various

[Senator James Carroll.]

groups representing the pharmaceutical industry. Those are two elements of our economy that seem to be sailing recession free through these turbulent and choppy waters.

That said, the Minister of State must focus on the public angst about pylons and where they are placed. It is a similar argument to the one put forward by Shell to Sea. People want pylons and energy but not near their houses or local primary schools. Perhaps the Minister of State could give the House an update on EirGrid's plans because that will be a major factor. The Fine Gael and Labour Party representatives, who hope to form the next Government, have been able to beat the drum in opposition to these but if they get into government in the next five or ten years——

Senator Dominic Hannigan: That is not strictly true.

Senator James Carroll: The Senator should look at his party councillors in the north east——

Senator Dominic Hannigan: It is not only our councillors who are guilty of that.

Senator James Carroll: ——where he will see an interesting stance being taken. Often there is a difference between what party spokespersons say in the Oireachtas and what party Deputies, Senators and councillors say locally.

Senator Joe O'Toole: Never.

Senator James Carroll: Imagine that.

Senator Niall Ó Brolcháin: Unbelievable.

Senator Dominic Hannigan: The Senator should offer specific examples rather than offer generalities.

Senator James Carroll: I can give the Senator many examples.

Senator Dominic Hannigan: I look forward to hearing that.

Senator Niall Ó Brolcháin: We should concentrate on renewable energy. It is more important than this.

An Leas-Chathaoirleach: Senator Carroll, without interruption.

Senator James Carroll: The grid is a key element. I have been heartened to work with a group called the Louth Economic Forum. It was set up by the county manager in Louth, Mr. Conn Murray, who got groups together under the chairmanship of Padraic White, former head of the IDA. He is an articulate, intelligent man who can see the wood for the trees, if Members will excuse the pun. The group has developed a nine point plan for job creation in Louth.

An Leas-Chathaoirleach: The Senator should not refer by name to people outside the House.

Senator James Carroll: I beg the Chair's pardon, although I am complimenting the man on his skill and foresight. The forum is working on nine different work plans. These are not aspirational plans that will sit on a shelf but are being implemented as we speak. One of them relates to renewable energy. Many counties could learn from this group and what it is doing. It also focuses on other areas such as tourism, but I will focus on the renewable energy area.

People tend to think that the renewable energy plan does not apply to the east coast but nothing could be further from the truth. People who live along the Atlantic coastline have a natural advantage but other areas can benefit from renewable energy. The Minister of State mentioned afforestation. That is a significant area. Lands that will not necessarily be successfully used for agriculture could be of major benefit to afforestation. This concept could be sold and marketed locally and it is up to Members of the Oireachtas from all parties to promote that.

I thank the Minister of State for giving a meaty speech on specific issues and not talking in generalities. Ireland has great potential for the development of renewable energy, both onshore and offshore. The development of these resources will be vital for Ireland both in terms of the country not being strangled with regard to carbon credits but also with regard to job creation. It is critical for setting this country on a sustainable path which all Members accept is the way forward.

Senator Joe O'Toole: I welcome the Minister of State. He and I soldiered together on the Joint Committee on Climate Change and Energy Security for some time. The committee still has not made any progress with this recalcitrant Government which refuses to accept the two legislative measures the Minister of State and I struggled hard to draft. Perhaps he will outline our current position with regard to climate change.

I note with interest and welcome the memorandum of understanding with the Renault-Nissan alliance on the provision of electric vehicles. A crucial part of that is battery exchange, which the Minister of State did not mention. He should attach a condition to this — if Europe will not do it, Ireland can — that there must be a conventional type of battery exchange. This would mean a person with an electric car could pull into a service station and have the car battery removed and replaced by another in less time than it would take to fill a car with petrol or diesel. We have seen this a million times when various conventions come into use for video, stereo and so forth, so let us get this right from the start. People would rent, not own, the battery. They would rent a full battery which they would exchange for another full one. Much work has been done on that in Israel, in particular, which is the most advanced country in the world on this issue. Without that, the purpose will be defeated.

It is very good to have fast chargers and so forth but what if a person wishes to drive to Cork and back but the range of their electric vehicle is approximately 350 km? That is the outer limit of what one can do so one must have the security of being able to exchange batteries. It is only a matter of a Government or EU decision to ensure all batteries are conventional. The other huge advantage of the electric car is that if we reach the target set by the Government, it would be a huge storage area. It would allow cars and batteries to be recharged during the off-peak hours, thereby building up a huge level of storage. That is the big issue.

The Irish Sea and the east coast are as attractive as other areas for wind energy. The biggest offshore wind farm in Europe is in the Irish Sea. Certainly, when it was established it was one of the biggest. There is great potential in that area. There is also huge tidal energy on the east coast to be harnessed, but it is not being harnessed at present. There is enriched renewable energy available off the north-west coast of Ireland. The average height of waves off the coasts of Donegal and Mayo is 2.5 m throughout the year. It is incredible. No other place in Europe can match that. The waves are there all the time and constitute a significant energy resource. We must bring that ashore. I will refer shortly to the issue of grid connection, which is not available.

One of the problems with wind energy has not been mentioned by the Minister of State. It should be made clear to people that one cannot run the entire system on wind energy. It does

[Senator Joe O'Toole.]

not have the required stability. It is not possible to go far beyond 50%, with 60% being the absolute limit. That is owing to the cycle of wind energy, and it should be explained to people. The Minister of State spoke about the research and said there is potential to secure 4,500 MW from wind and 1,500 MW from tidal energy. That is a total of 6,000 MW, which is considerably higher than our peak demand of approximately 5,000 MW.

That raises the issue of exporting energy. There is a great deal of confusion about this and it would be worthwhile if someone outlined the facts. Many people think that we can create excess energy and that there will be a ready market for it through our interconnectors, assuming the local politicians allow them to come ashore and across certain counties. That is not the case. People are currently trying to sell energy but they cannot sell it. There are also people in this country who are driving wind energy into the ground as we speak. Wind farms in this country are producing renewable energy which is being driven into the ground because they cannot get grid connections. The reason they cannot get grid connections is the ridiculous system of queuing to get attached to the grid. It is like years ago when people queued to buy a house. Some have got right of access to the grid but have no intention of signing up to it. Instead, they intend to sell their place in the queue to those who wish to connect to the grid which in turn drives up costs. This issue should be tackled quickly.

The Spirit of Ireland proposals need to be examined carefully. There would be no problems with the wind generated electricity aspect to them and there is no reason why they cannot be started now. However, regarding the proposal for hydropower storage reservoirs in valleys on the west coast, as soon as we start pumping seawater into drowned valleys in Donegal no one ever thought about before they will suddenly become a source of objection. Storage capacity is inefficient. If it takes 100 units of energy to pump the water up the hill, one would be lucky to get 74 units return when it goes down the hill. I accept it is better than nothing but is it the most efficient way to spend €2 billion? Electric car storage might be more efficient.

We also have not done enough investigation of other forms of storage. While the Spirit of Ireland proposals for alternative generation are fine, its proposals for storage are somewhat outdated. A reason why it is attractive and people are enthusiastic about them is because they are easily understood. That does not mean they are the most efficient, however.

There are also aspects of photovoltaic energy production which we have not examined. Again, this energy means is about available light, not sun, and it has a huge capacity.

Local authorities should be given much more involvement in alternative energy production. Last year I met with the then Mayo county manager on the work his local authority did in this area. It should be the role model of good practice for every other local authority. A wind farm was established at the old peat-burning station at Bellacorrick in north Mayo and the local authority intended to extend it to create up to 500 MW of energy. That comes in at 10% of peak demand from one site. The local authority was examining other sources such as wave and tidal. Anyone who has tried to take a boat through the Achill Sound when the tide is running knows it will go like a bullet. The local authority only needed grid connections, interconnections and pylons across the country to feed this electricity into the national system.

Members recently had a presentation from Bord Gáis and Calor Gas on a new efficient boiler system for houses, which would particularly suit those in rural areas, which apart from heating the house and water also generates 1 kW of electricity for the home. In north Dublin, which is the back of beyonds as far as this part of the world is concerned, where we have regular power cuts, the security of a 1 kW flow to maintain a back-up supply would be very beneficial. These boilers are microgeneration at a cell level. They save by not having to be

connected to the grid and are highly efficient. With a payback of €700 per year from the generation of 1 kW of electricity and at a cost of €6,000 per boiler, installing one should pay itself back in nine years. No other renewable energy source repays microgeneration at household level so quickly. One would be lucky to get payback in 20 years from installing a wind generator in one's back garden.

Private investors in wind farms need to have it explained to them that the most that can be put on the grid at any one time is 60% of demand. It becomes unstable to go beyond 60%. That translates as 3,000 MW which is the most which can be put on the grid. To cover peaks and troughs, electricity production must be able to reach 4,500 MW because the wind does not blow all the time. Unless Spirit of Ireland can export any over produced, its business plan is in difficulty.

It must also be remembered every other country is moving in the same direction in energy production and believes they can connect up to an infinite market in Europe. It is not an infinite market. While it is a large market, it is also controlled by three large operators. EDF, *Électricité de France*, owns the pylon network from Moscow to Madrid. I have seen how it ran pylons up and down the most beautiful parts of the Pyrenees and no one objected. It is amazing the power this company holds and which is also buying into the UK and the Irish market. It and Veolia Environment are the two new European empires enjoying more control than even the banks. They heat our houses and dispose of our waste and soon will be in charge of all utilities.

I have tried to cover several aspects of this debate and like a jack of all trades I have not done enough on one particular theme. Will the Department provide a business plan for internal investment in wind energy? Will the Department recognise that whereas we were leading the field of wave energy five years ago, we have been overtaken by Scotland? Scotland already has a wave energy production unit connected to the grid while our project has not yet developed a full-scale model.

It is a crime Corrib gas has not been landed in this country. We are talking about the need to be independent of other countries for energy production. There is gas in the Corrib field and yet the Government has flunked it. It needs to take a clear stand that there is a demand for it in the country and that there is local support for it in north Mayo. While I accept the Minister of State's party was overly enthusiastic in the wrong direction in this matter before, I hope now it is in Government it has a clearer perspective. The gas has to be landed. I accept my e-mail will be clogged with vitriol tomorrow morning but the majority of people in north Mayo support the landing of Corrib gas. The Government, however, has sat on its hands on this. Two or three Ministers, including the two *Éamons* although one of them has moved onto another place, were afraid to take action. Let us get this ashore, which means we must get the foreshore legislation sorted out.

I was promised by three of four people holding ministerial office in that Department that officials were working hard on geothermal matters. A man in west Dublin has a line of investors. He went down 3 km and found hot water. He can create electricity and district heating in an effective industry. All he needs is legislation, similar to the mineral legislation, to give him the right to take water from below land that may be owned by other people. It is a great regret that this has not been done. We are missing three items of legislation and some business plans.

Senator Niall Ó Brolcháin: I find this debate interesting. I welcome the Minister of State, Deputy Cuffe, to the House and thank him for his action-packed speech. It was heavy on facts and it is important we get the facts out there. I listened intently to Senator O'Toole and I

[Senator Niall Ó Brolcháin.]

found it very interesting. It is interesting that many people on different sides of the House have been informing themselves about the topic. A few years ago, as people rightly pointed out, this matter was considered a flaky Green thing.

Senator Dominic Hannigan: That is not the case.

Senator Niall Ó Brolcháin: It is certainly not a flaky thing now and it is still a Green thing. We would be delighted if other parties looked for ownership of the issue. People use interesting phrases when they talk to me about this. Senator Carroll referred to the wind Arabs and that we have the potential to be the wind Arabs of the future. We need to be careful about this because we are talking about sustainable and renewable energy. I do not want to see us creating another housing bubble regarding renewable energy. Renewable energy is sustainable. A windmill lasts for 20 years but the capacity is such that, allowing for replacement of windmills as they fail, it can go on for ever and a day. As long as the wind keeps blowing, which it has done heretofore as long as humanity can remember and will continue to blow day in, day out notwithstanding the current financial situation, if we get this right we can create wealth that will go on forever and a day. That is worth fighting for. Comparisons with the Arabs are disingenuous because oil will run out. As long as the sun keeps shining, wind will continue. There is great potential here. We must be careful about this. One of the criticisms in my part of the country, where there is an increasing number of wind farms, is that when a wind farm is built on a hill, no one locally knows who is responsible for it and no one locally has a job out of it or an interest in it. The energy is potentially exported to another part of the country. This may be within the country at the moment but we are talking about massive wind exports.

Sometimes in this Chamber I get mixed up between megawatts and gigawatts just as people get mixed up between millions and billions. The comparison between a gigawatt and a billion and a megawatt and a million is appropriate. Electricity usage in this country is between 5 GW and 6 GW, which is 5,000-6,000 MW. The Department of Communications, Energy and Natural Resources tells me that planning permission for renewable energy, especially wind, provides for 15 GW. If all of those wind farms are built, which is unlikely, we would double the capacity for wind. This does not include the proposals of the Spirit of Ireland group, which Senator Butler will tell us about shortly. It does not include other major projects that are being pushed forward. The Minister of State, Deputy Cuffe, referred to offshore territory around this country, which has major potential. Neither does it include the amount of potential in wave power, which is unfortunately an unproven technology. We cannot start building wave machines or tidal machines because there is a problem with the rate of attrition with regard to the devices pioneered throughout the world. That technology is a number of years away but it will come. It should be possible to harness major amounts of wave energy in this country. We should be a major exporter of renewable energy to Europe and the world.

Senator O'Toole referred to the fact there is not an infinite need for energy across Europe. From what I have studied, we will be able to export any energy we produce if we build the proper interconnectors and ensure the grid is properly put in place. Senator O'Toole made an important point that I have heard before about electric vehicles. The Minister of State gave a very good speech on electric vehicles. Senator O'Toole pointed out that renewable energy storage could be developed in electric vehicles. A way of storing intermittent wind energy is in the batteries of cars or other vehicles. We should also consider the electrification of the railway system because its capacity is important. We have not done enough on this matter. Why not look at the railway system as the backbone for transmitting energy? Why can we not bury

wires underground in parallel to the railways across the country? We have an interesting railway network that is in State ownership. Why not look at the railway system if we are to export major amounts of energy, as suggested by the Spirit of Ireland group? I refer to the bits and bobs mentioned by Senator Hannigan. We must consider the reality of how we can do things. This will take major amounts of investment but other countries see the potential in Ireland. The investment will come and I have had many meetings with potential investors. Major amounts of money are available to us from countries interested in investing in our renewable energy potential, such as China. I would rule out nothing in this area.

People talk to me about this being a pre-boom period in terms of renewable energy. If we can get this right, we can dig ourselves out of the current difficult financial situation. It is important to concentrate on proven technologies so we maximise wind power and the grid. We should also consider hydropower, which is consistent.

An Cathaoirleach: Senator Ó Brolcháin has one minute left.

Senator Niall Ó Brolcháin: I could speak for three hours on this subject. We do not pay much attention to hydropower. The capacity is not huge. We have built Ardnacrusha but there is capacity of between 1 MW and 2 MW on the River Corrib. This is consistent and does not just arise when the wind blows. The Minister of State also mentioned biomass and other renewable technologies. We must also consider biofuels. The biofuels legislation and certificates passed by this House is a good system and is recognised as such throughout Europe. Nevertheless, we need as much as possible to foster our own bio-fuel industry because it cannot just be based on imports.

I was very interested in many aspects of the Minister of State's contributions. Unfortunately, there is not enough time to refer to all of the issues raised. I am pleased that there is consensus among most of the political parties and Independent Members because this will be the way of the future. None of us can do anything to stop this because it will be exploited. However, it is important that we get it right, consider community ownership and doing things in the right way for the people, rather than to allow a situation to develop where all of it will be foreign owned. We need to take ownership to a certain degree which is what we are doing. In the lifetime of the Government we have increased our renewable energy capacity significantly. It now stands at 15% which is commendable and means we are on target. It is a good news story. I am delighted I have had the opportunity to take part in the debate.

Senator Dominic Hannigan: I welcome the Minister of State, Deputy Cuffe, and thank him for his considered contribution. I also thank fellow Senators for ensuring the debate took place, including Senator Quinn who has spoken often about renewable energy and Senator Butler who has been pushing the idea of a debate on the issue for some time. I thank the Leader for arranging it.

As the Minister of State said, we are all in agreement that there is tremendous potential in the renewable energy sector. He referred to the fact that Ireland's ocean territory covers 89 million hectares which could potentially be used for the production of wind and wave power. Our sea area is approximately ten times the size of our land area and has some of the best wind and wave resources in the world.

I thank Spirit of Ireland for providing me with a graph showing wind speeds across the world. There is only one other area in the world with wind speeds comparable to our own, that is, in the south Atlantic, just off the coast of Argentina heading towards the Malvinas Islands. Wind

[Senator Dominic Hannigan.]

speeds in the rest of the world are much lower. There is, therefore, tremendous potential to harness wind energy.

We have the potential to create many jobs in the sector. Ireland is the Saudi Arabia of the world when it comes to harnessing the energy we could produce. The value of energy, not just internally but for export, is estimated at as much as €50 billion a year. Denmark, a leader in the field of renewable energy generation, has created more than 20,000 jobs in the sector. We have created approximately 2,000. Denmark has, more or less, the same population. We have the potential to create up to 25,000 jobs or approximately 500 jobs in each county. That is not to be sniffed at in the current climate.

We will hear later about how the Spirit of Ireland could help. Many aspects of the proposal merit further consideration. I do not take issue with the proposals concerning energy generation, but, like others, I question how and whether we should store energy. The implications for some of our most scenic and beautiful counties, especially along the west coast, are worrying. It might be a better solution to have interconnectors in place in order that we could export excess energy and import it when the wind stopped blowing.

We must consider community wind farms. I was in Copenhagen last December at the time of the climate change summit and attended workshops on community wind farms. I was inspired by what communities across the world were doing, including some close to home, for example, in Wales. A community wind farm has also been developed in County Clare. I organised a seminar in Ashbourne recently on jobs in the green sector and we were fortunate to have an attendee from County Clare, Mr. Pdraig Howard. I know I am not meant to mention names, but he was one of the people instrumental in setting up the community wind farm in County Clare. He told us that he got 30 farmers in the area to pool their resources. We need to look more closely at this option, but I do not know if the Minister is keen on doing so. Issues arise in terms of how easy it is to progress community wind farms. We need to remove some of the red tape that surrounds the planning and undertaking of such projects.

We were leaders in the field of wave power a few short years ago, but it seems we have slipped a little. Wave power offers tremendous potential. We must redouble our efforts to ensure we create jobs in the sector.

It is always rewarding as I travel around my area to see the additional solar panels in place on the roofs of houses. Grants are available to encourage people to use them. I was interested to note the improvements not just in the technology used but also the reduction in cost. The Chinese are investing heavily in the production of solar panels. We can expect to see the cost come down significantly which will ensure that it will remain within most people's budget to invest in solar power panels.

Biomass production is another sector in which we could potentially create many jobs. I spoke recently to a willow tree farmer in County Meath who had chosen to grow willow as a crop having carried out a lot of research on the production of biomass fuel. He is planting like there is no tomorrow not just on his farm but also on his neighbours' farms. Of every euro spent in the biomass industry in Ireland, approximately 80 cent stays within the local community. It is a good way to invest money in job creation initiatives.

Other speakers have referred to the difficulties we have had with interconnectors. In my own county of Meath interconnectors are being built and the relationship between the companies building them and local communities is quite good. They are being very considerate when it comes to local road closures, but issues still arise about pylons. Everyone agrees and under-

stands we need to ensure high power lines are in place in the national good. The big debate is about whether we can minimise the impact on and the disruption caused for local communities. This is something on which all parties agreed. We are all realists. We understand we cannot have too many eggs in the pudding by investing too much money in putting lines underground. If there is no cost-benefit analysis, in the national good we must have them and should try to minimise their impact on local communities, where possible, as they are desperately needed. We must ensure there are sufficient lines in place to allow local people to receive electricity and local businesses to set up or expand.

I have an issue with the procedures and bureaucracy attached to grid connection. Many speakers have referred to the gates process and the length of time it takes to gain access to the national grid. I referred to a community wind farm in County Clare. It took the farmers involved five years to get to planning permission stage at a cost of approximately €1 million. If we are serious about trying to get local communities to plan their own energy needs and invest in renewable energy production, we must look seriously at how we can reduce the bureaucratic burden placed on them. Five years to get planning permission is too long. The gates process needs to be seriously examined.

They were the points I wished to make. I am pleased we are having this debate and I again welcome the Minister of State who is committed to this area. There is limited time for him and his colleagues to have an impact on the renewable energy sector, for which I reiterate my party's support. It is certainly an issue we will be running with when we are in government.

Senator Cecilia Keaveney: I thank everyone involved in arranging for the taking of statements. I have continually raised the issue on the Order of Business for a particular reason. For months we have had negativity in the international media and people have been trying to talk down Ireland. We, undoubtedly, have difficulties, but we also have great potential to find solutions to the challenges we face.

Without needing to look at the Press Gallery, as usual there is not huge interest in the statements being made. However, renewable energy production is one of the most important issues to be considered at this critical time for the economy. I acknowledge the good work done in this regard by Senator Butler who is present in the Chamber.

Ireland is being portrayed as an economic basket case. I do not agree with this portrayal, given that we will be funded well into next year and the four year plan will take us out of our current difficulties. If we are perceived as a basket case, will the Minister of State, Deputy Cuffe, explain why we are not waving a flag and saying that, although we are in difficulty, Europe will be like the rest of the world by 2015, that is, in trouble in the supply of energy?

In the renewable energy sector, of all countries, Ireland has an opportunity not only to provide energy to meet its own needs but also to be a major energy exporter. I do not understand why we are not using this as leverage to attract positive press coverage in those European countries which are experiencing turmoil and looking to see what our strengths are. We should be selling this straightforward message, but support and investment for projects are required. That said, there has already been much investment, not only in the private sector but also within European structures.

The Spirit of Ireland plan has been the source of much of my information. If someone gives me information, I always say someone else will be able to point me to an alternative source, but I am still awaiting in this instance for that to happen. It is important that we drive forward with what is being offered in the plan. Through investment, we can provide energy using renewable, clean and sustainable resources both for ourselves and the export market. I welcome the

[Senator Cecilia Keaveney.]

Minister of State, Deputy White, to the ministerial chair. Until I read the documents from the Spirit of Ireland group, I was sceptical about Ireland being at the centre of the universe. Its plan refers to Ireland's potential in the context of wind and wave energy. This is a category 4 or 5 country and the only equivalent is somewhere in South America. One could say that at the best of times there is a lot of hot air in the House, but, if Ireland's potential in terms of wind and wave energy can be harnessed to meet our needs and those of the entire European Union community, given that nuclear powers plants are being closed down and an attempt is being made close coal pits, we should be grabbing our opportunities with both hands.

The most interesting elements of the Spirit of Ireland project are hydroelectricity generation and pumped storage. Wind energy production has its limitations and there are peaks and troughs, but the inclusion of a hydroelectrical component would balance things and give the project viability, which Senator O'Toole questioned. As the group seems to have done its homework, what we are discussing is the question of investment.

I put a point to those involved, one that is important where I come from. The subject of oil exploration has been controversial. It takes millions, possibly billions, of euro to explore for oil. One looks clever when one backs the winning horse but one needs to kiss many frogs before one meets one's prince. While I understand this concept, many members of the community sometimes do not. For this reason, I am interested in querying what is in the wind and wave energy project for the community. Community co-operatives are already involved, which is telling. It seems, therefore, that it is a win-win for both investor and local.

Recently I was canvassing in the Donegal South-West by-election campaign. It is wrong to make a plug for Senator Ó Domhnaill, but not too many watch proceedings in the Seanad live. I was canvassing on a particular road on which there were many wind farms. When I asked whether people objected to them, one man told me he could not say anything about them because one of his relatives had two windmills. When I asked about the return on them, I was told it was €11,000 per annum. A local person is getting something in return for the use of land that often is not used for anything else. I am, therefore, converted to the concept where it is a win-win for locals and investors in terms of employment creation, green energy, domestic usage, sustainability and exports. Other countries would be dependent on us as opposed to Ireland being dependent on them.

There are issues to do with planning permission. I refer to it as NIMBYism. A wind farm on the Foyle was being planned, but I am not 100% sure how the process stands. I would be interested in receiving information on it. The plan was to construct 90 30-storey windmills in the middle of the Foyle. When I asked what would happen if one of them collapsed or needed to be decommissioned, a popular word at the time, no one could answer the question. When I asked what would happen to the natural salmon fishery, I was told the smolts would be able to swim around the bases of the windmills which would be a good tourist attraction. We must be careful. While many locations are suitable for the construction of onshore and offshore wind farms, it is important that we are respectful towards sensitive areas.

Expanding grant aid for alternative energy projects in new housing would be brilliant. The warmer homes scheme has been beneficial in this regard.

Senator Hannigan referred to the production of biomass from willow. The Gilliland farm in Derry is one of the largest willow farms on the island and has been able to absorb a great deal of sewage for Derry City Council. Given that raw sewage runs into the Foyle from most areas from Derry onwards, it is about time there was a tertiary treatment plant. It is also important that we stop putting the making of decisions on the long finger. We must ensure projects are

environmentally friendly. Where small communities could benefit, for example, through sewage being absorbed by a biomass system, we should maximise the potential of such projects.

An Cathaoirleach: Time, please.

Senator Cecilia Keaveney: I am sorry that I had so little time to contribute. I hope the House will have further opportunities to discuss this important issue.

Senator Paul Bradford: I welcome the Minister of State, Deputy White. I also welcome the fact that we are having this debate. In recent years the Seanad has had many opportunities to discuss this matter of great importance. It is disappointing, however, that the rate of progress has not been greater.

The country is at a low ebb economically. We used these types of debate to focus on the possibility of Ireland becoming a market leader and a world leader in the development of alternative energy and to put policies in place, moving from debate into action.

I have read a good deal about the Spirit of Ireland group. Unfortunately, I could not attend any of the presentations, but it seems futuristic. We have debated these issues in the House on a number of occasions, however, and it is time to move from theory into practice to see whether it can be done. The whole issue of renewable energy is a broad spectrum debate from an Irish perspective. One size does not fit all, and we should take this on board. There must be opportunities for wind and wave power, while clearly there are opportunities for energy crops to be grown. In that regard I remind the Minister of State, Deputy White, of the up-to-date position on the sugar industry, while acknowledging that she was very involved in the debate at the conclusion of the sugar beet industry in Ireland at the time of the Carlow plant closure and at the subsequent tragic closure of the Mallow plant. She debated very publicly on that occasion on the opportunity of developing bio-fuel, ethanol in particular, from energy crops.

Again, there was a debate and a certain degree of consultation, with various groups offering to progress these ideas, yet they came to naught. If we have learned anything from all the debates on alternative energy in this country, it is that we must try to move from talk into action. We have discussed all the options on numerous occasions, but we must now get the job under way. From a local perspective, I am sure I am pushing an open door in asking the Minister of State to reflect on the matter of the sugar beet industry. We saw the recent report from the EU Court of Auditors to the effect that the European Commission might well have erred and certainly used inaccurate figures in the decision-making process that led to the closure of Mallow and the end of sugar beet processing in Ireland.

We must now aim high in this country. We have to set high ambitions for Ireland. We may be down but we are not out. If the impoverished Irish State of the 1920s comprising a new country emerging from the War of Independence and the Civil War was able to have the vision, courage and determination to dream the dream of setting up the sugar industry and start the process of creating four sugar beet plants throughout the country, surely in our modern and more advanced Ireland we can dream similar dreams but put them into reality. That should not be beyond the bounds of our collective endeavours to decide that there could and should be a sugar industry in Ireland with a plant not just producing sugar for commercial and domestic consumption but also power, electricity and heat, processing not just sugar but also wheat, potatoes and other crops. The plant could be a year-round centre of food production and renewable energy.

We discussed this matter in the House last week and the Minister of State's party colleague, the Minister of State, Deputy Cuffe, responded to me. I placed a formal motion before the

[Senator Paul Bradford.]

Joint Committee on Agriculture, Fisheries and Food yesterday and received the support of my colleagues to the effect that we, as a joint committee, should communicate with all the relevant stakeholders, the Government and the European Commission to start the initiative towards regenerating a sugar beet industry in Ireland. We must set that level of ambition. We could all decide to go around with a permanent look of doom and gloom, saying the country is shut down, the curtains are drawn in Ireland and there is no future. That is one option. Another is to look at the plus side, at our advantages and opportunities and to avail of them.

The debate we are having on the energy potential of renewable crops and energy is one of the steps we can take forward. I presume no country in Europe, if not the world, is better placed than Ireland to take advantage of wind or wave energy or some of the renewable crops that may be grown for fuel and energy purposes. We take so long from regulation, bureaucracy and planning viewpoints to put words into action, however, and that is a big hindrance to our economy and development as a country. Planning applications often can take up to 12 months instead of the statutory two-month period, then An Bord Pleanála appeals can take another 12 months, not to mention to the court challenges. We must try to ease some of those blockages and ensure plans on paper can be turned into reality within a reasonable period.

We have had the debate about wind and wave energy as well as combined heat and power plants, miscanthus and other energy crops, the sugar crop, ethanol, bio-fuel. etc. but we have not had the action. It is to be presumed the Government is nearing its end, within weeks or months if the commentariat is correct, but the cause of the country continues. Some Administration will replace the present Government within a number of weeks or months, but it will have to face the same problems in the event. Energy and energy security will be one of those problems. One of the opportunities arising is the development of renewable and alternative energy. If the Minister of State and her colleagues did nothing further in the next few weeks but concentrate on how to move these plans into action, that would be a very good parting shot. We are all in this together. An enormous energy crisis faces this country, the Continent and the globe. We have the potential in this small country to play a major disproportionate role in the production of energy crops and renewable energy, and we must get on with the job, stop the talking and begin the action.

Senator Larry Butler: Senator Bradford is right in saying it takes a long time to get things done in this country. Projects in the national interest must be expedited in the future. This is one of the projects which must be expedited.

I am disappointed energy does not form part of the four year national recovery plan. It should have been at the top of the agenda. In a ten-year period we could save €60 billion in imports alone. That is hard cash, not to talk about exports and Ireland being energy sufficient. There are colossal sums involved and it puts the borrowing in the shade.

We have a company called the Spirit of Ireland. We can build all the windmills we like around the country, but if we do not have a plan to store the electricity that comes from wind generation, we are just wasting our time. We are getting about 30% of our energy from wind into the grid which can only take so much at any given time. One of these storage facilities would provide us with 30 days supply, which is colossal. I recently spoke to a number of the directors of Spirit of Ireland who have come up with a co-operative plan in this regard. This would require every county in the country to produce a draft development plan to include energy. While many counties have done this, others have not, some perhaps because they are inland counties and do not believe they have any future in energy. That company's figures on the cost of providing a local energy project in a town with a population of 2,000 people is

approximately €2 million. This would involve having five wind generators feeding into the grid, providing the grid could take it. We have much work to do in terms of upgrading our grid to take this energy. Any energy which it is not possible for the grid to take could be put into storage for later use or export. This sector is very important in terms of getting the country back on track and ensuring we have stability in energy and income derived therefrom. There will be a huge deficit of energy in the European Community between 2015 and 2020. We now have an opportunity to catch up on development in this area.

Spirit of Ireland is interested in assisting us in providing the first project in this country, at a cost of approximately €3.5 billion. While this is a huge amount it is only one eighth of what it would cost to build a nuclear station. This project makes great sense. I am not comparing what we are talking about here with nuclear energy because I do not believe we should get involved in nuclear projects. We have a natural energy base which we must exploit. If we do so, we will be self-sufficient and will be able to ensure a regular supply to the European Union. It is important we do this. While this project is being proposed by Spirit of Ireland, there is room for everyone to get involved, including co-operatives in small towns. We must ensure our grids are upgraded to take any excess supply. Our grids are not capable of doing this currently.

I am not sure whether local authorities have geared themselves up to looking at smaller projects in small towns. I come from a small town called Graiguenamanagh. Despite that a river runs through the area, no effort is being made to harness its power. I recall when two small companies in the town, Barrow Starch Works and Murphys, and some milling companies such as Odlums took all their electrical power from the river. We do not appear to value the local power available to us. We must look at how this power can be harnessed, thus ensuring a backup supply for every town. The old turbine in the area, which has not been used for many years, used to provide power for a whole factory in which 50 or 60 people were employed. That factory did not have to depend on the ESB for supply. It was in existence long before the ESB. I understand that power was also harnessed from the river in Carlow. These were probably among the first electrical systems in the country.

We have great opportunities in this area but we are taking far too long to exploit them. I ask the Minister to set out what can be done in terms of putting energy projects top of the four year plan published yesterday. The plan should be amended in this regard and this would spearhead the creation of up to 20,000 new jobs. Many new industries would follow on from this. I have studied this project and have considered all the different angles and believe it to be a no-brainer. It is what we should be doing.

The Minister, Deputy Ryan, promised on “Today with Pat Kenny” that he would promote these projects. He has not yet contacted the company concerned. I ask that the Minister of State request the Minister to expedite the situation because there is much that must be done. We as a country must ensure export led energy projects are added to the programme put forward yesterday. I would welcome if that could be done.

Senator Feargal Quinn: In response to a question put to me five years ago on a television programme about what business I would get involved in if going into business at the time, I said that renewable energy needed to be high on the priority list of any young person thinking about getting involved in business. I was amazed at the correspondence I received on this matter during the following few weeks. I was contacted by a number of people developing ideas in the area of wave, tidal, solar, wind and biomass and was impressed by the attention being given to this area. Spirit of Ireland, to which Senator Butler referred, was not around at the time. I agree with the Senator that our involvement in this area is a no-brainer. I had not

[Senator Feargal Quinn.]

realised, until he pointed this out, that energy is not mentioned in yesterday's four year plan, which I find difficult to believe. I will take another look at the plan.

Many people ask why there is always money available for bailouts but not for stimulation of the renewable energy industry. We have particular potential in the wind and wave sectors owing to our location on the Atlantic coast. We should also look to other areas as well. I mentioned how Irish dairy should be looking to expand into China. Are there other opportunities in China? Mr. Constantin Gurdgiev, an economist at Trinity College, made the point that Ireland should look aggressively at partnerships with rapidly growing economies like China. For instance, the Chinese are engaged in rolling out early stage tests for mass-produced electric vehicles. I suggest that Ireland should be asking China if it could be its partner in Europe. We could make their electric vehicles here and be its platform for growth into the rest of Europe.

There is another matter that could be of assistance. The Minister has heard me speak previously about daylight saving. I believe we should join central European time. The British are to have a debate on this issue on 3 December. It appears they are giving serious consideration to this matter. Senator Butler spoke about no-brainers. This, to me, is a no-brainer. If we join central European time, we will gain an extra hour every evening of the year from which savings will also accrue. The only problem was that if Britain did not join, there would have been a one-hour gap between Dublin and Belfast. Now that the British are considering doing this, we should push them in that area.

We should look to have a much more mature debate about the issue of nuclear power because it is a renewable energy and it would help massively to reduce emissions, an issue I have raised previously. The Green Party in Britain has changed its attitude. It has swung right around and states it is now in favour of nuclear power. It seems sensible if we are really committed to tackling climate change to consider this renewable source of energy. More than 50 nuclear plants are under construction worldwide, of which more than 20 are in China. It could be argued that this is taking the longer term view based purely on engineering principles rather than on the emotional rhetoric with which nuclear power is burdened.

The 1997 Nobel physics laureate and current US Energy Secretary, Mr. Steven Chu, said last week that the atomic power option may aid the fight against climate change. Mr. Chu said in reference to global efforts to fight floods, rising seas and droughts by reducing greenhouse gas emissions, which are blamed for global warming, that certainly in this century nuclear energy should be part of the solution. The Minister has come out strongly on this view in the past but the British Green Party has changed its attitude and we should not have such a fixed attitude in this country. Mr. Chu also said that nuclear power can be used as a backup with coal and natural gas until renewable energy infrastructure is built because it takes time to develop such infrastructure. This investment in nuclear energy may not make sense at present, but let us take a more rounded and longer term view and at least include it for consideration.

I refer to wind energy. Ireland has a surplus of wind energy and a better wind energy regime than anywhere else in Europe. We have to remember that every piece of high ground in Ireland is similar to an oil well and, therefore, we have at least 10,000 sites if we are able to use them. I mentioned last week that 23,000 people are employed in the wind energy business in Denmark whereas in Ireland the equivalent figure is 1,500, yet the two countries are similar in size. One expert says that in two years up to 400 jobs could be created with hundreds more employed in blade-making using a revolutionary Irish design and the manufacture and erection of turbines.

We have more builders available than anywhere else in Europe. We need only copy the British template to advance the industry.

Mr. Ed Milliband conducted extensive research on the subject before his election as the British Labour Party leader and he produced a 96-page document, including research on electricity tariffs. Wind energy could bring savings of tens of billions of pounds in the UK context. I firmly believe the British have realised the strategic importance of wind energy production. The UK authorities are prepared to share every bureaucratic detail with us. We do not need more reports; what we need is action, as we have opportunities to do something about it. I hope the Minister has been in contact with his counterpart in the United Kingdom to procure this intelligence and information. We have to consider that 90% of all wind farms in Denmark and Germany are community wind farm projects. This is fascinating and I only learned about this lately. In Germany, developers borrow from the locals rather than banks and it is an example we should follow. Senator Butler touched on the Spirit of Ireland project, which has a similar theme.

We should look at the small and medium users of energy, dairy farms, schools and sewage works, not the massive wind turbines and wind farms established in other countries. I visited Vienna recently and could not get over the size of them. I am referring to small wind turbines and single generators. There are approximately 30,000 dairy farms in Ireland and at least half should have wind power. However, only 180 small wind turbines are in use in Ireland. An Irish company is the leading manufacturer of turbine blades in Europe. The company has patented the method it uses and the blade was designed in Ireland. However, the blades, which are made from aero-composites, are now manufactured at a factory in Brandenburg, Germany because the company could not secure funding in Ireland. In Brandenburg, the local council gave the company a grant for €250,000 to get up and running. It was originally based in Ireland and the owners eventually hope to open a factory here in the future but, in the meantime, they will retain production in Germany.

This is a worthy debate and renewable energy presents opportunities. It has been useful to learn so much from the various speakers and I hope it will help us to go in the direction that I know the Minister's heart will follow. I refer to another issue raised by Senator Butler. If the four year plan announced yesterday did not refer to energy, then surely we have slipped up and missed a great opportunity.

Senator David Norris: Senator Quinn has given me my lead in with his reference to the four year plan. I propose to speak about a particular form of energy about which I have spoken in this House previously. Members may recall that I defined "money" as "the symbolic representation of energy". This may or may not be a renewable source in this country but it certainly will not be unless we take a very specific form of action. I am speaking about bondholders. This is renewable energy; this is money, and this is where it is at. I have managed to get a list of the bondholders and propose to place it on the record of the House. It is perfectly in order for me to do so. I have so defined it and will not be stopped.

An Cathaoirleach: We are dealing with renewable energy.

Senator David Norris: I know exactly what we are dealing with and I am speaking to it.

An Cathaoirleach: We are not getting involved in name——

Senator David Norris: I am talking about renewable energy and have made it perfectly clear, logically and intellectually, how I am doing it.

An Cathaoirleach: I want no names of people the Senator says are bondholders——

Senator David Norris: I am giving the institutions. I am perfectly entitled to name them. We have mentioned repeatedly Bank of Ireland and so on. It is frustrating the democratic wish of this House if the people concerned are not named.

An Cathaoirleach: We are not dealing with banking; we are dealing with renewable energy.

Senator David Norris: I am dealing with it because I have given a definition of “money” as including renewable energy.

An Cathaoirleach: The business ordered is renewable energy.

Senator David Norris: The business was ordered and I am speaking to it. The names are Aberdeen Asset Management (London) Ltd, AGICAM, Aktia Asset Management, Aletti Gestielle SGR, AllianceBernstein (UK) Limited, Allianz Global Investors France, AmpegaGerling Investment, Anima SGR——

An Cathaoirleach: The Senator is totally out of order. I ask him not to get involved in that aspect. We are taking statements on renewable energy potential.

Senator David Norris: I am speaking very directly and clearly about renewable energy.

An Cathaoirleach: No——

Senator David Norris: I most certainly am.

An Cathaoirleach: That is not relevant.

Senator David Norris: It is very relevant.

An Cathaoirleach: No, it is not.

Senator David Norris: It is the most relevant issue in this country.

An Cathaoirleach: It may be to a different debate.

Senator David Norris: I will outline how relevant it is. Mr. Mohammed El-Erian, director of Pimco, which has \$1.35 trillion in assets on its books and advises bondholders, said if——

An Cathaoirleach: We are sticking to the debate. There may be another forum to discuss that matter.

Senator David Norris: I do not accept the Chair’s ruling because I have indicated that I am talking about renewable energy. I have given a definition of “money” as including renewable energy. I have defined my terms clearly. The Chair is trying to frustrate me. He is trying to protect the Government and I think that is wrong.

An Cathaoirleach: I am not trying to frustrate the Senator and will not allow him to continue in this vein.

Senator David Norris: For what reason?

An Cathaoirleach: It is not relevant to the debate. The business was ordered.

Senator David Norris: It is completely relevant. We are talking about energy. I am talking about the most vital form of energy for this country and calling on the Minister to ensure the Government makes it very clear that the bondholders will be included and that they will be forced to accept their share in terms of assets. It is perfectly legitimate for me to do this.

An Cathaoirleach: We are not going down that road. I expect the Senator to respect the Chair. As a long-standing Member of the House——

Senator David Norris: One Swiss bondholder owns 40% of the bonds and will get millions of euro from us.

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

Sitting suspended at 1.40 p.m. and resumed at 1.45 p.m.

An Cathaoirleach: Senator Norris has five minutes left.

Senator David Norris: I thank the Cathaoirleach. I would like to make it clear that I did not mean any disrespect to this House, the Cathaoirleach or the Minister. I believed I was pursuing a perfectly logical course of action. The Chair has restricted me on this and, therefore, I will not pursue the matter at this stage. I was at that stage the last speaker and was not keeping anyone else out. I will continue my research in this area and will seek another opportunity when I will ventilate this matter fully because it is in the interests of the people, but I am happy now to yield to my colleague who I now understand wishes to speak.

An Cathaoirleach: There are three minutes remaining in the slot. I must call the Minister at 1.50 p.m.

Senator Rónán Mullen: I will appreciate any indulgence going in that regard. I compliment my colleague on an interesting conceit in order to make a valid point on seeing money as the symbolic representation of energy. It is certainly not the symbolic representation of renewable energy because the way we have thrown good money after bad with our banks in recent years is not renewable and certainly not sustainable.

An Cathaoirleach: The statements are on renewable energy.

Senator Rónán Mullen: The European Commissioner, Máire Geoghegan-Quinn, pointed out recently that when we take in Ireland's maritime territory, we could be considered to be the third largest country in the European Union, with the continental shelf around our island being one of Europe's largest seabeds. She stated that although much remains undiscovered, this underwater land mass presents vast opportunities for the Irish economy and places Ireland in pole position to be at the cutting edge of marine innovation.

In fact, we can consider ourselves to have a maritime territory of 220 million acres. The seas around Ireland provide the country with significant renewable energy potential from wind and wave power. Offshore wind energy projects use similar technology to onshore wind energy projects but there are some crucial differences. They deliver higher load factors, offering between 1.5 and two times the efficiency of onshore wind energy projects. That is due to the higher wind speeds at sea. Offshore wind turbines typically have a higher electricity output, with turbines of 5 MW capacity now in production, and larger turbines of up to 10 MW capacity in development. That would compare with an average turbine capacity of around 2 MW for onshore wind turbines. However, it should be pointed out that offshore wind farms require

[Senator Rónán Mullen.]

heavy State subsidies to be economically viable, although this may change as costs decrease owing to cheaper technologies and greater expertise in the construction of plant.

A Marine Institute report predicted that the development of the wave and tidal energy sector could lead to the employment of 1,125 people by 2020 and be worth €227 million to the economy. While these figures may seem small, it should be remembered that the sector is at a very early stage in its development and there are as yet no proven technology leaders in it. There is a real opportunity for Ireland to take a lead in its development and replicate Denmark's success as a leader in the wind energy sector. As the Marine Institute points out, Denmark has been the driver of the modern wind energy sector since 1976. Danish wind turbine manufacturers hold a world market share of approximately 40% and have a combined turnover of almost €3 billion, while the industry employs 20,000 in Denmark alone. There is a real opportunity for Ireland to replicate Denmark's success in the wave and tidal energy sector.

Onshore there is potential to develop the biomass sector. We have one of the best climates in the world for producing biomass and, theoretically, we could produce enough bio-fuels to replace all of our imports, although that would mean covering most of the country in willow and I cannot see that happening any time soon.

Proposals to develop Ireland's energy resources using the Spirit of Ireland template are robust and evidence-based and can be financed from external sources. I compliment other Members, including Senator Butler, for raising this issue on numerous occasions. This could provide Ireland with carbon-free renewable energy that could transform the economy from the perspective of both foreign investment and domestic industries. Projected revenues after six years could be of the order of €60 billion per year.

Desperate times call for desperate measures, or, to put it more positively at a time of crisis, in am na géarchéime, tá géarghá go ndéanaimid tréan-iarracht chun ár dtír a thógáil as an ghéarchéim ina bhfuil sí; beidh géarghá le smaointe úra le dul i ngleic leis na fadhbanna atá romhainn. We need creative and radical thinking which could include a careful and sustained look at the proposals made in respect of the Spirit of Ireland template. I hope they will lead to a brighter future for the country.

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): I am happy to respond to the debate and set out where I see opportunities. I agree with Senators that there are huge opportunities and that now is the time to seize them.

Our task is to turn Ireland into a renewable electricity exporter. We must think long-term because it will take several decades, but in the same way we developed the food industry from the 1950s onwards to the point where it is now an €8 billion export industry, we should have similar, if not greater, ambitions to avail of a massive opportunity in respect of the export of renewable electricity in particular in such a timeframe. There is such an opportunity for a number of reasons. We have some of the best renewable energy resources in the world in terms of both wave and wind energy. Ireland is on the Atlantic coast of Europe. We are also operating within the European Union which has committed itself to reducing carbon emissions effectively in electricity production. This has been legislated for, mandated and priced. There is certainty on the investment horizon for anyone thinking of investing in this area at least until 2020 and beyond because the European Union will establish longer term targets. That will help businesses to make the investments necessary to make this happen.

There has been a change in thinking at the Council of Ministers on energy security. There is a realisation that, if we are to rely on a silo approach, where each market will look after its

own interests, it will not provide for energy security. In the event of a crisis in the availability of gas, the pipelines that connect countries will not be fully secure. Therefore, it is better to operate as a collective to have such security in both gas pipelines and electricity grids in order that we will start to ensure efficiencies, balancing effects and common technological development in the new forms of electricity generation. That is how we must think when setting ourselves on the path to avail of this opportunity.

This has been the number one item at the Council of Ministers for the past year. The Commission has issued a significant report on how we might support the development of grids to make the interconnection of north-west European electricity market work. Last year nine member states and Norway signed a memorandum of understanding to develop a north seas offshore grid which to provide a platform to export power. I am travelling to Brussels in two weeks to sign a memorandum of intent and commence detailed planning work on how the markets will integrate, how the grid will be developed and how we will regulate, fund and finance it. This is central to the European Union agenda and offers a real opportunity for us. I recently met the German Minister to discuss this issue and I am travelling to London on Monday to discuss it because we have a common purpose with Britain as our most immediate European Union partner, although we also have common cause with France in recognising that the network will be regional in nature. However, our first step will be with the British in starting the development of the interconnector between north Wales and north Dublin.

We must do a number of things to get things right. We must agree to the market arrangements. An INTERREG-funded study, the isles project, examines how we might transfer power and make market arrangements. Detailed modelling is being done by EirGrid to determine how further interconnectors would work in allowing us to shift power and is showing positive effects, with a good energy flow both ways. It will reduce our domestic electricity production costs because there will be fewer constraints. It shows there is a real opportunity because our neighbours will be looking for clean, green power that we have the potential to supply. We must build the industry and the key first step is to provide for clarity on the level of interconnection. We can then scale upwards on the generation side. This will be done in various forms, including offshore. We can build big, even though costs will be high, which will allow us to overcome some of the planning constraints onshore. If grids are developed in the Atlantic and wave technology develops, there will be an immense opportunity. We have just completed a detailed strategic environmental and economic assessment of the potential and it shows potential production in the ocean area, even without entering environmentally sensitive areas, is some ten times our current production levels. While this is a long-term opportunity, we must do the work to see if we can make it happen.

There are other options in respect of interconnection to connect electricity generated onshore from renewable resources. Various options are being discussed in this regard, including, as mentioned, scaled pump hydro. I am committed to making this happen. There might be other large-scale onshore wind energy projects that could work on similar grids.

2 o'clock The key is to have the grid infrastructure in place, assist private sector investment in an environmentally sensitive manner and offer an export opportunity which could help to accrue revenue for the State as well as for the private sector developers in terms of licensing. It is important to remember this because it will not be without controversy.

As we know, building grids is not easy. At a time when we are uncertain about our economic future, this area offers great potential. It is mentioned specifically in the four year plan, albeit not in huge detail because the document concentrates on budgetary, debt and other financial matters.

[Deputy Eamon Ryan.]

This is, however, central to the work I am doing. It has probably been my number one priority in the past year and we are close to making it a reality. Our European partners, including the British and French, and the European Commission are committed to the concept and are willing to help support it. With our grid company, EirGrid, with ideas from people in the private sector, we are well placed to make it happen.

An Cathaoirleach: When is it proposed to sit again?

Senator Donie Cassidy: At 2.30 p.m. next Tuesday.

Adjournment Matters

Vocational Education Committees

Senator Nicky McFadden: I raise this as a matter of grave concern which is affecting many people employed in the VEC and reducing its efficiency. There are 25 staff members based in Mullingar who give an amazing service. I was a member of County Westmeath VEC from 1999 and I am aware of the fantastic work it does. The country-wide configuration with which the Minister has provided us is daft. County Westmeath has a strong natural affinity with County Longford and together they form the electoral constituency of Longford-Westmeath. The idea of putting County Westmeath together with County Offaly is wrong because it belongs with County Longford. I understand there are cost savings involved. The Minister hopes to save €3 million. I believe, however, that counties Longford and Westmeath would work much better together — the county councils already work closely together — and the headquarters of the VEC should be in Mullingar. The VECs concerned are willing and able to facilitate this.

The VEC owns a premises in Laois, but I question its capacity. Is there a room to cater for the expanding service? There are many schools of which I am aware, including Athlone community college, of which I am a former chairman. The 25 staff members of the VEC have provided a fantastic service for many years to the benefit of the community and I believe they would be willing to provide an expanded service for counties Longford and Westmeath. I know from experience that connecting County Westmeath with counties Laois and Offaly would not work. There is no question about it. There is no affinity between these areas, but there is a connection between counties Longford and Westmeath.

I ask the Minister to ensure counties Longford and Westmeath remain together and that the VEC headquarters are established in Mullingar which has the capability and the facilities to deal with the expanding service. We have the space required and the VEC's position on a roundabout off the N4 gives access to the massive motorway network. There is a structure in place that will facilitate the expansion of the service. I ask the Minister to pass on my comments to the Minister for Education and Skills and thank him for listening to me.

Senator Donie Cassidy: Before the Minister replies, may I be allowed——

An Cathaoirleach: It is a matter for Senator McFadden if she wishes to give the Senator some of her time. There is about half a minute left.

Senator Donie Cassidy: Just 30 seconds.

An Cathaoirleach: Is the Senator agreeable?

Senator Nicky McFadden: Agreed.

Senator Donie Cassidy: I was a member of the VEC for four decades and served successfully with both Senator McFadden and her father. We all know what has happened with the HSE. I fully support Senator McFadden in her request. The VEC has 25 excellent staff and a terrific new building leased in Mullingar. It is a shining example of what should have been done in the case of the HSE. The counties in the Midlands Health Board area — Laois, Offaly, Longford and Westmeath — worked extremely well together. I hope the people of counties Laois and Offaly can stay together as a unit, as they always have done with considerable success.

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): I am taking this Adjournment matter on behalf of my colleague, the Minister for Education and Skills, Deputy Coughlan. I thank the Senator for raising the matter and welcome the opportunity to outline the background to the Government decision to reduce the overall number of VECs.

Arising from the recommendation of the special group on public service numbers and expenditure programmes in July 2009 that the number of VECs could be reduced from 33 to 22, the Government has decided to reduce the number to 16 to deal with issues of scale and in view of the current and prospective requirements of the education sector. Accordingly, the Government has decided to merge VECs in particular counties, including those in counties Westmeath, Offaly and Laois and those in Counties Longford, Roscommon and Leitrim.

Although a number of indicators could be used to identify the scale of operation of a VEC, such as the size of its budget and the number of second level schools for which it is responsible, it is fair to say a VEC's overall budget is the broadest measure of activity because it includes adult education and other provisions not easily captured otherwise.

Each of the VECs in counties Westmeath, Offaly and Laois has an overall budget of less than €25 million. The VECs of counties Westmeath and Offaly have budgets of €21 million, while the budget for County Laois VEC is as low as €19 million. County Westmeath VEC operates four post-primary schools, County Offaly VEC operates five schools, and County Laois VEC operates four schools. The overall budgets for each of the VECs in counties Longford, Roscommon and Leitrim are less than €15 million. County Longford VEC has a budget of €14 million, County Roscommon VEC has a budget of €13 million, and County Leitrim VEC has a budget of just €12 million. These three VECs operate a combined total of 12 post-primary schools, with four in County Longford, three in County Roscommon and five in County Leitrim. These data reflect a size and scale of operation that is representative of a significant number of existing VECs, which makes restructuring of the sector a key priority.

The merging of County Westmeath VEC with the VECs of counties Offaly and Laois and the merging of County Longford VEC with the VECs of counties Roscommon and Leitrim will create VECs which have the critical mass of activity inherent in the larger administrative budgets of €61 million and €39 million respectively, while retaining the flexibility and adaptability that has characterised the VECs in these areas to date. In arriving at these combinations, account was taken of geographic factors such as the total area covered by the new VECs, the distance between the extremities of the area, the road network within the area and the alignment of other regional structures. This new structure will provide the people of counties Westmeath, Offaly and Laois and the people of counties Longford, Roscommon and Leitrim with VECs which are designed to improve the ability of the sector to support service delivery, not just in schools under the direct governance of VECs but also in the wider education sector. These new, larger VECs will be able to establish shared services and provide support services

[Deputy Eamon Ryan.]

not just to VEC-run schools but also to primary schools and other second level schools in these larger geographical areas.

While the decision involves a significant departure from the current position in which there is one VEC in each of the counties concerned, the continuation of strong links between the new VECs and the counties that are merged to form them will be a fundamental feature of the new structure. Each of the counties concerned will have representation on the new VECs. The titles to be given to the new VECs are one of the detailed items that will be covered in consultations with stakeholders. The location of the headquarters of the new VECs will be determined later. This will require engagement by the Department with the VECs concerned. I thank the Senator for affording me the opportunity to respond to the House on the matter.

Senator Nicky McFadden: Why was there no consultation with staff, the Irish Vocational Education Association or the chief executives? I accept what the Minister is saying about budgets — it is all about economic indicators and so on — but the ability to function well is also important. I do not believe the merger of County Westmeath VEC with the VECS in counties Laois and Offaly will function correctly.

The Seanad adjourned at 2.10 p.m. until 2.30 p.m. on Tuesday, 30 November 2010.