



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Déardaoin, 28 Márta 2013

Thursday, 28 March 2013

Chuaigh an Ceann Comhairle i gceannas ar 10.30 a.m.

Paidir.
Prayer.

Leaders' Questions

Deputy Éamon Ó Cuív: The weather we are experiencing is more like Christmas than Easter. The Government rightly decided to help farmers because of the shockingly inclement weather. People are losing stock and there is a crisis in farming in the North. On behalf of Fianna Fáil I welcome the decision to support farmers in the North. Farmers in the South are also experiencing huge challenges because of the weather. We had a very wet summer and many farmers failed to make silage or saved only a small amount of fodder last winter. We had hoped for a mild spring but the opposite has happened and we have had an extremely cold spring with no growth. Farmers face dwindling supplies of fodder and are experiencing significant extra costs, which is putting pressure on their cashflow.

Given the extremely harsh weather and the combination of last summer's heavy rain, which had a particular effect on the southern half of the country, with this very cold spring, is the Government proposing to introduce emergency measures to assist farmers, particularly dairy farmers who do not have the option of selling their stock?

We welcome the Government's decision to extend the fuel allowance by one week. In view of the continuing inclement weather, is the Government willing to review that on a weekly basis and to give an undertaking to the House that the fuel allowance will be continued as long as this very cold weather continues? Our stock of turf briquettes is running out and the costs associated with this cold weather are putting serious pressure on people. Can the Tánaiste give me that assurance?

The Tánaiste: There is no doubt that the current unseasonable weather conditions are very difficult for farmers. Some concerns have been expressed over the past few days about cash-flow and the availability of fodder. The harsh weather experienced in the past few weeks has been exacerbated by the problems caused by last year's wet summer, and some farmers are experiencing difficult conditions. In response to the farmers' concerns, the Minister for Agricul-

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ture, Food and the Marine, Deputy Coveney, has written to the banks to highlight the extreme challenges facing farmers as a result of the weather and to urge the financial institutions to take a flexible approach to dealing with short-term credit issues. It is important that financial institutions take into consideration the fact that while the current difficulties may cause cashflow pressures for farmers, the overall outlook for the sector is favourable. Commodity prices remain high and the positive expectations for dairy, beef and lamb prices mean that farmers should see improved market returns for their produce this year.

In addition, Teagasc is providing specific weather-related advice and assistance to farmers to cope with the current adverse weather conditions. All Teagasc offices are taking telephone calls from farmers, and agricultural advisors are equipped and ready to outline the options open to farmers facing difficulties and to make a plan that best suits their situation. Teagasc has also made extensive use of national and local media to provide farmers with advice and has co-ordinated with farm organisations, marts, local authorities, co-ops and other suppliers to provide targeted advice to all who need it. Advice to farmers on coping with fodder shortages has also been published, including guidelines to dairy and dry-stock farmers for feeding this spring with little or no grass. Farm bodies have urged farmers to assess whether they have surplus fodder in stock and whether they are in a position to make some available to others in difficulty, and I echo this call to support those in need of assistance.

Our colleagues in the North are also experiencing difficulty. The Minister for Agriculture and Rural Development, Ms Michelle O'Neill, MLA, contacted the Minister for Defence, Deputy Shatter, yesterday, to request corps assistance in response to the animal welfare crisis in the North due to the severe weather in that region. Deputy Shatter agreed that the Air Corps would deploy when requested by the Northern authorities. The Minister for Agriculture, Food and the Marine, Deputy Coveney, and his Department will keep the situation under review and will act appropriately if there is further cause for concern.

The Minister for Social Protection, Deputy Burton, yesterday extended the fuel allowance for a week because of the prevailing weather conditions, and she will keep that under review.

Deputy Éamon Ó Cuív: I welcome the Tánaiste's announcement that the Minister for Social Protection will keep the fuel allowance under review. This is very important for the people who depend on the allowance.

There is a seanfhocail that says "Mair a chapail agus gheobhair féar". The English version is "Live horse, get grass". That seems to be the policy of the Government - a lot of words and no action.

Deputy Anthony Lawlor: Deputy Ó Cuív has pulled his head out of the sand.

Deputy Éamon Ó Cuív: Does the Tánaiste believe that advice will feed the cattle? His only solution seems to be more debt and more borrowing. Many farmers have already borrowed to their limit because of the crisis in farming last year. Is it the Government's intention, as was done in a similar situation in 1998 by the then Minister, Joe Walsh, to introduce measures to assist farmers in this crisis to ensure they can continue to feed their livestock, vital for their livelihoods and for the welfare of the animals in question?

Deputy Brendan Howlin: Maybe we could change the weather.

The Tánaiste: I acknowledge the welcome Deputy Ó Cuív has given for the initiative taken

by the Minister for Social Protection, Deputy Burton, regarding the fuel allowance.

Deputy Éamon Ó Cuív: It is a pity she would not take some more initiatives.

The Tánaiste: We all agree that if these harsh weather conditions continue that there has to be an appropriate response to them.

Deputy Ó Cuív's difficulty with the issue of feed for livestock is that the Minister for Agriculture, Food and the Marine, Deputy Coveney, is already ahead of him and has already responded to the matter.

Deputy Willie O'Dea: Nobody told the cattle.

Deputy Barry Cowen: Such as?

Deputy Niall Collins: Another broken promise to the cows.

The Tánaiste: I have suggested that if there is surplus feedstock and fodder available, then it should be released.

Deputy Barry Cowen: Are we going to feed them bones?

The Tánaiste: That is very much in line with what the IFA requested. Yesterday, it requested "co-ops, feed mills and banks to continue to support their farmer customers and do everything to ensure adequate feed and cashflow is provided."

Deputy Barry Cowen: Are we going to feed them money now?

Deputy Dara Calleary: Did the Tánaiste sign off on that?

The Tánaiste: The IFA has also called on farmers to "take stock of what fodder they have at this stage, and if they have some surplus, they should make it available to their fellow farmers who are in short supply", a point derided by Deputy Ó Cuív.

Deputy Michael Moynihan: The point is that they have none.

The Tánaiste: That is the position the Minister for Agriculture, Food and the Marine has taken.

Deputy Simon Coveney: No more hand-outs.

Deputy Barry Cowen: The sheds are empty just like the ballot boxes for Labour in Meath.

(Interruptions).

An Ceann Comhairle: What is all the rumbling about? Settle down. Members are going on their holidays.

Deputy Anthony Lawlor: That means the little schoolboy from Offaly and his push bike.

The Tánaiste: Fianna Fáil is reduced to blaming the Government for the bad weather.

Deputy Billy Kelleher: Labour is fairly reduced too.

Deputy Niall Collins: I would say Labour has promised good weather too.

Deputy Willie O’Dea: Labour even broke its promises to the lambs.

Deputy Mary Lou McDonald: The Tánaiste will be aware that the new Croke Park agreement has been greeted with dismay by many within the public service and the Civil Service, particularly by front-line workers. Not for the first time, we saw yesterday members of an Garda Síochána protesting the shattering cuts they are experiencing outside Government Buildings. The attempt by the Government to silence dissent among rank and file gardaí by disciplining four Garda sergeants who walked out of the AGSI, Association of Garda Sergeants and Inspectors, annual conference in protest at the Minister for Justice and Equality, Deputy Shatter, is utterly wrong. The Minister has treated rank and file gardaí with nothing short of contempt. Last year, we had the attempt by the Garda Commissioner, no doubt on the bidding of the Government, to forbid gardaí from communicating with public representatives on cutbacks. This was rightly challenged by the GRA, Garda Representative Association, in the courts.

Deputy Michael Healy-Rae: It was a gagging order.

Deputy Mary Lou McDonald: The Tánaiste and I know that morale among gardaí is at an all-time low. They are deeply disillusioned at the Government’s cutback agenda, dressed up with labels such as smart policing and efficiencies. Up to 140 Garda stations have been closed over the past 18 months. The number of Garda vehicles and personnel has been significantly reduced. This has had an effect in urban areas but certainly many in rural communities are left increasingly isolated.

To add to this we have Croke Park II and pay cuts which disproportionately target front-line workers like gardaí, nurses and emergency personnel. How does the Tánaiste expect a depleted force, which to a man and a woman, has been put under significant operational pressure and personal financial pressure to deliver on the Government’s so-called “smart policing”?

The Tánaiste: The terms of the Croke Park II agreement are currently the subject of a ballot among those unions party to the agreement. All of us, including Opposition Members, should respect the right of individual union members to make up their own minds about this agreement. They are perfectly capable of doing so without any advice whatsoever from Sinn Féin.

Deputy Joan Collins: The TUI has already voted against the agreement.

The Tánaiste: With regard to the issue of Garda discipline, the Government is not disciplining any member of the force. The matter of Garda discipline is a matter for the Garda Commissioner. It is not a matter for the Minister for Justice and Equality or the Government. Neither should it be a matter for political debate or interference. It is a matter for the Garda Commissioner.

Deputy Michael Healy-Rae: What is the Minister doing only interfering?

The Tánaiste: It should be left with the Garda Commissioner.

In respect of the issue of Garda vehicles, the Deputy is wrong again. The Government has spent an additional €9 million on the purchase of Garda vehicles.

Deputy Mattie McGrath: On bicycles.

The Tánaiste: In respect of the effectiveness of our Garda Síochána, our gardaí do a superb job. The crime figures which will be made available later today will show there have been significant increases in the level of crime which is a testament to-----

Deputy Brendan Howlin: Reduction.

The Tánaiste: Reduction is what I meant to say. This is a testament to-----

Deputy Willie O’Dea: Immigration.

Deputy Brendan Howlin: Fianna Fáil drove them out.

The Tánaiste: -----the commitment and the work of the Garda Síochána.

Finally, I welcome Sinn Féin’s newfound support for the Garda Síochána.

Deputies: Hear, hear.

Deputy Patrick O’Donovan: Minus explosives.

Deputy Mary Lou McDonald: The Tánaiste claims he respects the rights of trade union members to make their own determination on Croke Park II. That is just code for killing off any debate or criticism of this flawed agreement in this Chamber.

Deputy Patrick O’Donovan: You are well able to kill off.

Deputy Mary Lou McDonald: If the Tánaiste is so anxious and so committed to respecting the views of public sector workers, as well as their right to make a determination on the agreement and its cutbacks, how is it the Minister for Justice and Equality is so hell-bent on silencing members of the Garda Síochána, be they rank and file or sergeants, if they are critical of the strategy pursued by the Government? Of course, the particularities of any disciplinary issue with the Garda are a matter for the Commissioner. No one is contesting that. However, we have a real problem that the Government, in particular the Minister for Justice and Equality, is vindictive towards an Garda Síochána.

An Ceann Comhairle: Thank you, Deputy.

Deputy Mary Lou McDonald: All of the honeyed words about the good work these men and women do counts for nothing-----

An Ceann Comhairle: A question, please.

Deputy Mary Lou McDonald: -----if the Government is intent not alone on cutting their professional resources but also their means of providing for their families. To add insult to injury, the Government does not want them to open their mouths-----

An Ceann Comhairle: Deputy, thank you. We are over time.

Deputy Mary Lou McDonald: -----to raise criticism. That is simply wrong. Other public servants have set out clearly their opposition to this new programme of cutbacks under Croke Park II.

An Ceann Comhairle: Deputy, thank you.

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Deputy Mary Lou McDonald: Gardaí are also entitled to defend their professional resources, as well as themselves and their families. Will the Tánaiste have a word with the Minister for Justice and Equality to diplomatically advise him that it is in no one's interests for him to pursue a vindictive position in respect of the gardaí who should not be silenced? Yes, they need to be disciplined.

An Ceann Comhairle: Deputy, thank you.

Deputy Mary Lou McDonald: They should not be silenced as citizens of this State, however.

An Ceann Comhairle: When we talk about respect, I also ask Members to respect the Chair. When Members' time is called, would they please adhere to the rules? Just show respect for whoever is in the Chair.

The Tánaiste: First, with regard to Sinn Féin's comments on the Croke Park agreement, this is nothing new because Sinn Féin representatives were already out on the plinth denouncing, attacking and condemning the agreement even before it was published and before they had read it.

Deputy Mary Lou McDonald: We stand over that.

The Tánaiste: Sinn Féin's position on the Croke Park agreement has nothing whatsoever to do with its contents or the people to whom it applies. It has all to do with political opportunism and whatever is good for it.

(Interruptions).

The Tánaiste: Second, the Minister for Justice and Equality is not silencing anyone.

Deputy Michael Healy-Rae: What about the gagging order?

An Ceann Comhairle: Be quiet, please.

The Tánaiste: The Minister for Justice and Equality and the Government are perfectly willing to listen and hear the points of view and the representations made to them by the Garda representative bodies, the Garda Representative Association and the Association of Garda Sergeants and Inspectors. That is their right. Where we have a disciplined force, there must be a channel of communication on behalf of the members of the force and this is done through the representative bodies. From time to time there will be disagreement between them and the Minister. That happens in every area of activity and it is the job of the representative bodies to represent their members and to do so effectively. The issue of discipline in the Garda Síochána is not one for the Minister or the Government, it is a matter for the Garda Commissioner.

Deputy Pádraig Mac Lochlainn: Did the Minister sanction it?

The Tánaiste: While we are on the subject of silencing gardaí, can Deputy Mary Lou McDonald tell me how many voices of gardaí were silenced permanently by her organisation?

Deputy Pádraig Mac Lochlainn: There he goes. It is always the last resort. It is remarkable considering from where he has come.

An Ceann Comhairle: I call Deputy Mattie McGrath.

(Interruptions).

An Ceann Comhairle: I have called Deputy Mattie McGrath. Please allow him to make his point.

Deputy Mattie McGrath: Déanfaidh mé mo dhícheall. I call on the Tánaiste, especially given what we are hearing from the tallies in Meath East, to be the sensible voice in the Government and try to intervene in this unseemly mess that has descended into a shambles, that is, the situation regarding An Garda Síochána *vis-à-vis* the Commissioner and the Minister for Justice and Equality, Deputy Alan Shatter. This is totally unacceptable and it has damaged morale to a great degree. It was very unfair to see so many gardaí yesterday outside the Taoiseach's office. This is something they do not want to do; they want to be serving their communities, but they are forced to come here. I am glad the Minister for Justice and Equality is here. He has not shown any semblance of understanding, appreciation or, I dare say, modicum of respect for the members of An Garda Síochána, the men and women who protect us all on a daily basis. I have reliable information that the Minister has had several run-ins and disputes with the members of An Garda Síochána who are protecting his house and home.

Deputy Alan Shatter: That is untrue.

An Ceann Comhairle: I am sorry, but I have to ask the Deputy please not to introduce personal matters into this.

Deputy Mattie McGrath: I want to clear up this matter once and for all.

An Ceann Comhairle: There are no personal matters involved.

Deputy Mattie McGrath: I am speaking about the facts. The Minister has shown total disdain for An Garda Síochána. I want to kill the lie that gardaí walked out on the Croke Park agreement. Members of an Garda Síochána have no rights in any negotiations, whether on the Croke Park agreement or otherwise. They were there to listen to SIPTU, IMPACT and others who could tell them what was going on. They are like bridesmaids at a wedding.

A Deputy: This is one of the great speeches.

Deputy Mattie McGrath: One could be forgiven at this stage for thinking we are living in a democracy. It is more like Russia or a military junta. Four senior officers of An Garda Síochána are being summoned today to Templemore. They have 130 years service between them. They are the only people who will be at the college in Templemore because the Minister has closed and laid waste to it, despite his promises. They will be disciplined.

Deputy Noel Coonan: That is a lie.

Deputy Mattie McGrath: There is already a disciplinary procedure in An Garda Síochána, a strict one for dealing with matters such as this. They must pay monetary fines and whatever else.

An Ceann Comhairle: A question, please.

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Deputy Mattie McGrath: What is their crime? They are representing their members in a desperate plea to get someone to listen. When will we have a situation where there will an independent mediator or, as happens in other countries, a board set up between the Minister, the Commissioner and the Garda Síochána to de-politicise the issues involved between Ministers of all hues? The Minister has shown no respect whatsoever. I have a serious question to ask. Has the Minister for Justice and Equality prevented members of An Garda Síochána from using the toilet facilities in his own home?

An Ceann Comhairle: For goodness sake.

Deputy Mattie McGrath: That is my question to the Tánaiste. People can laugh if they like, but it is a fact. Must gardaí bring a commode and use it outside the house?

An Ceann Comhairle: We do not deal with personal issues here.

Deputy Mattie McGrath: The Minister has taken cars from them-----

An Ceann Comhairle: Will the Deputy, please, resume his seat?

Deputy Mattie McGrath: They have to go back to the station. The Minister should respect An Garda Síochána.

(Interruptions).

Deputy Alan Shatter: Is that the issue of the day?

The Tánaiste: If we ever needed a demonstration of why the management of An Garda Síochána and matters relating to discipline in an Garda Síochána should not become matters for political debate, we have just had it.

Deputy Mattie McGrath: The Minister has silenced them.

The Tánaiste: The management of An Garda Síochána, the day-to-day deployment of gardaí and discipline in An Garda Síochána are matters for the Garda Commissioner who enjoys the support of the Government in doing his job. I hope he also enjoys the support of Members. Deputy Mattie McGrath misunderstands the process by which members of An Garda Síochána, prison officers, members of the Defence Forces and members of disciplined forces in the State engage in negotiations. The Croke Park agreement negotiations or public service negotiations involve the trade unions, with the Irish Congress of Trade Unions representing the broad range of trade unions engaged in discussions with the Department of Public Expenditure and Reform. There is a separate set of discussions that runs parallel to these negotiations for the representative bodies of An Garda Síochána, the representatives of prison officers and members of the Defence Forces. In respect of the negotiations that have been completed, the representatives of prison officers and members of the Defence Forces continued with and participated in the negotiations. The Garda representative bodies decided to withdraw from the negotiations, as was their call. There is already a conciliation and arbitration scheme in place to deal with issues that arise in An Garda Síochána. The Government and the Minister are open to discussion. The Minister has had discussions with the Garda representative bodies and the Government is open to having discussions with them on the pay agreement. The representative bodies decided to withdraw from the talks. It was their right to make that decision. It is regrettable that they did

so, but that is the call they made.

Deputy Mattie McGrath: Given that he has spent a life involved in trade union activity, the Tánaiste knows, as I do, that the members of An Garda Síochána do not have full negotiating rights at the talks. They are depending on the messages they get back, perhaps two hourly, three hourly or on a half-day basis, from SIPTU, IMPACT or Mr. Liam Doran of the Irish Nurses and Midwives Organisation. That is a fact and there is no point in muddying the waters. Why are gardaí not allowed to be involved in the new insolvency legislation we are passing? They cannot be involved in that legislation either. We understand there are parameters. I accept that, but An Garda Síochána is being treated with disdain by the Minister on a continual basis. He stooped to a new low this morning. We all have wives and families, but to introduce his wife, as he did this morning, on the front line of defence is remarkable. Will it be his children next? What will he do next to try to damage the reputation of the members of the proud force that has served the country so well since its inception and that we all support? The Minister has not supported them in anything. He uses mealy-mouthed words in saying he is supporting them. I call on the Tánaiste to put in place an independent arbitrator for all our sakes and the sake of good relations and to try to sort out this mess. Will the Government consider setting up a management board in An Garda Síochána, such as that in place across the water and in other places, including Northern Ireland? It would be a buffer zone between politics and An Garda Síochána and preferable to vibes and making snide comments across the House at each other. There should be an independent board rather than involving the Commissioner who I believe is compromised by his continuing service beyond pension age. Others have taken court cases in that regard. Why does the Minister have such a prejudice against An Garda Síochána?

The Tánaiste: First, I ask the Deputy to reflect seriously on the personalised attack he has just made on the Garda Commissioner.

11 o'clock

The Garda Commissioner is charged with the management and running of the Garda Síochána and he should have the support of every Member of this House. Whatever the political moment, it does not serve Dáil Éireann or Deputy Mattie McGrath well to make a personal attack, like he has just made on the Garda Commissioner. He should withdraw that.

A Deputy: One rule for all.

Deputy Brendan Howlin: That is not the way this House operates.

Deputy Barry Cowen: The Government does not do personal attacks, does it not?

The Tánaiste: With regard to arbitration, there is already a conciliation and arbitration scheme in place for the Garda Síochána. On the issue of insolvency legislation, the Minister for Justice and Equality assures me there is no difficulty with gardaí being part of an insolvency arrangement. All of these issues can be discussed between the Garda representative bodies and the Minister. The way to resolve difficulties is by discussion and negotiation and where issues cannot be resolved, there is a conciliation and arbitration process.

Order of Business

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The Tánaiste: It is proposed to take No. 13, motion re proposed approval by Dáil Éireann of a regulation of the European Parliament and of the Council amending Council Regulation (EC) No. 1346/2000 on insolvency proceedings, back from committee; No. 14, motion re referral to select committee of proposed approval by Dáil Éireann of the terms of the agreement between the European Community and the Republic of South Africa and the framework agreements between the European Union and the Republic of Korea and the Republic of Indonesia; No. 15, motion re referral to joint committee of proposed approval by Dáil Éireann of the sectoral plan, in accordance with section 31(6) of the Disability Act 2005; No. 30, Animal Health and Welfare Bill 2012 [Seanad] - Report and Final Stages(resumed); No. 32, statements on CAP reform (resumed); and No. 3, Credit Reporting Bill 2012 - Order for Second Stage and Second Stage, to be taken not later than 1.30 p.m. and the Order shall not resume thereafter.

It is proposed, notwithstanding anything in Standing Orders, that Nos. 13, 14 and 15 shall be decided without debate and No. 2, the Dáil on its rising today shall adjourn until 2 p.m. on Tuesday, 16 April 2013.

An Ceann Comhairle: There are two proposals to be put to the House. Is the proposal for dealing with Nos. 13, 14 and 15 without debate agreed to? Agreed. Is the proposal that the Dáil on its rising today shall adjourn until 2 p.m. on Tuesday, 16 April 2013 agreed to? Agreed.

Deputy Éamon Ó Cuív: As we are now at the end of term, will the Tánaiste tell us how many of the 30 Bills that were on the A list have been published and how many are expected to be published before the new session begins? I understand that the start of the new session is technically the end of this session. Will he confirm that once again the A list Bills are not being published as promised?

The Tánaiste: The following Bills have been published so far this session: the Child Care(Amendment) Bill 2013; the Further Education and Training Authority Bill 2013, known as the SOLAS Bill; the Motor Vehicle (Duties and Licences) Bill 2013; the Finance Bill 2013; the Health (Alteration of Criteria for Eligibility) Bill 2013; the Courts Bill 2013; and the Criminal Justice (Money Laundering and Terrorist Financing)(Amendment) Bill 2013. A further Bill was approved by Cabinet this week, the Non-use of Motor Vehicles Bill. Two further Bills not on the A list of the spring legislative session were also published, namely, the Irish Bank Resolution Corporation Bill 2013 and the Finance (Local Property Tax)(Amendment) Bill 2013. The other Bills on the list are at an advanced stage and I can provide the Deputy with a response in respect of any one of them if he wants to know the position on it.

Deputy Éamon Ó Cuív: There were 30 Bills on the A list and a quick count of those mentioned by the Tánaiste comes to ten, representing just 33% of the promised legislation. Will the Tánaiste confirm that is the case?

The Tánaiste: Yes, but the session is not over. This is a short session and it is not yet complete. I have given the Deputy the list of the Bills that have been published and other Bills are at an advanced stage. If the Deputy wishes, I am in a position to respond in respect of any of those Bills and when it is likely to be published.

Deputy Mary Lou McDonald: In the next session, Justice Quirke will come back with proposals for a redress scheme in respect of the women of the Magdalen laundries. The Tánaiste is aware that when these matters were debated in the Dáil, the Government gave a commitment to consider the case of the Bethany Home and its inclusion in the redress scheme or in some

manner of redress for its survivors. State inspections of this home, under the Registration of Maternity Homes Act 1934, recorded horrendous abuse and neglect of children in the home. The Tánaiste is aware there are unmarked graves of over 200 children from this home in Mount Jerome Cemetery in Harold's Cross in Dublin. We cannot continue to ignore this group of survivors or to exclude them from redress. What is the Government's determination on this matter and what will be brought forward to remedy the situation?

The Tánaiste: There is no promised legislation on this, but the Government has been very clear that it is not ignoring and has not ignored the needs of people. In the case of the Magdalens, we published the report and responded to it. The Quirke process is now in place and we await its completion. An undertaking was given to look at the situation in regard to the Bethany Home and that is being done.

Deputy Mattie McGrath: With regard to the response given by the Tánaiste during Leaders' Questions to my question on the Personal Insolvency Bill, will he clarify whether the Garda Síochána will be covered under that Bill as he seemed to indicate? With regard to the local government reform Bill, there are significant issues, certainly in Tipperary, with regard to Civil Defence and its role and activities under the umbrella of local government reform and the amalgamation of the county. I also have a concern with regard to the valuation (amendment) -----

An Ceann Comhairle: Is the Deputy inquiring about the publication of the local government reform Bill?

Deputy Mattie McGrath: I am asking about the legislation. Can the Tánaiste clarify whether the Bill will deal with the issues mentioned?

An Ceann Comhairle: We do not deal with the content of a Bill on the Order of Business.

Deputy Mattie McGrath: The Bill is published, but when will it be enacted? I also have concerns with regard to the Valuation (Amendment) (No. 2) Bill 2012. Valuations must be adjusted. We have seen a court case recently in Dublin on this, but all over the country valuations are ridiculously high and ratepayers are being forced out of business.

The Tánaiste: The Valuation (Amendment) (No. 2) Bill is currently on Committee Stage in the Seanad and when it comes to this House, the Deputy will have an opportunity to air the issues he has raised. The local government reform Bill will be published later this year.

Deputy Bernard J. Durkan: When is the sale of alcohol Bill likely to come before the House? Have the heads been approved yet by Cabinet and will it be in the House in the next session? I have a similar question with regard to the cyber crime Bill, which is of considerable importance in its own right and for the ratification of the Council of Europe convention on cyber crime. When will it come before the House for its second reading? Have the heads been approved and, if not, when is that likely to happen?

The Tánaiste: The sale of alcohol Bill is expected later this year. The heads of the cyber crime Bill have been approved, but I am not in a position today to give a date for the publication of the Bill.

Deputy Peter Fitzpatrick: When does the Tánaiste expect the education (admission to school) Bill which will ensure the process of enrolment in schools will be more open, equitable and consistent to be published?

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The Tánaiste: The heads of the Bill are being drafted. It is expected to be published later in the year.

Deputy Charlie McConalogue: The Tánaiste has indicated that he plans to legislate for the Croke Park II agreement, regardless of whether it is approved by the unions. When does he expect to receive an answer from them on the agreement? When will legislation be introduced on foot of that decision?

The Tánaiste: As I said, we have to await the outcome of the ballot on the Croke Park II agreement, which is still under way. If the agreement is accepted, there will be a need to legislate to give effect to some of its provisions.

Deputy Barry Cowen: When?

Deputy Robert Troy: Legislation to establish a new child and family support agency was promised before Christmas, but that did not happen. It was then promised for this term, but it has not yet been published. We were also promised that the Children First legislation would be published in this term, but that has not happened. The development of an independent review mechanism on foot of the child death report was promised in September last year, but that has not happened. Will the Tánaiste explain the delay in the introduction of such critical legislation by the Department of Children and Youth Affairs?

The Tánaiste: The child and family support agency Bill is under discussion in the Department of Children and Youth Affairs and the Office of the Attorney General. Some issues are still outstanding. It is expected that the Bill will be published in the next session.

Deputy Robert Troy: It was promised for this session.

The Tánaiste: There is ongoing consideration of the views of the Oireachtas committee on the significant policy, operational and legal issues that arise in the context of the proposed Children First legislation. It is expected that the Bill will be introduced in the next session.

Deputy Robert Troy: It was also promised for this session. I also asked about the independent review of the child death report.

The Tánaiste: There is no legislation arising from it.

Deputy Michael Healy-Rae: While I appreciate the merit of yesterday's announcement by the Minister for Agriculture, Food and the Marine that every dog in the country will have to be microchipped, it will place another financial burden on farmers who need dogs to carry out their day-to-day work. Will some allowance be made in the Animal Health and Welfare Bill 2012 to ease the financial burden this measure will impose on farmers who are already struggling?

An Ceann Comhairle: The Bill in question is going through the Dáil.

Deputy Michael Healy-Rae: Yes.

An Ceann Comhairle: It will be considered on Report Stage today. I am sure the Deputy has had a chance to raise the matter during the debate.

Deputy Joan Collins: The Tánaiste said this morning that we had to respect the process of the vote on the Croke Park II agreement. Will he respect the members of the Teachers Union of Ireland, over 80% of whom voted against the deal in recent days?

An Ceann Comhairle: We are not going there.

Deputy Joan Collins: Does the Tánaiste intend to introduce legislation to deal with the matter? If so, when will it be introduced? I would like to mention another important matter. Gardaí are not supposed to have any debts because of the implications this would have.

An Ceann Comhairle: We are not discussing these issues on the Order of Business.

Deputy Joan Collins: Is legislation to be introduced to allow gardaí to go through the personal insolvency process?

An Ceann Comhairle: I repeat that the Order of Business is about promised legislation.

Deputy Mattie McGrath: The Tánaiste did not answer my question on this issue.

An Ceann Comhairle: We are not debating these issues.

Deputy Simon Coveney: There is no promised legislation.

An Ceann Comhairle: There is no issue that involves promised legislation.

Deputy Patrick Nulty: The House recently passed the Water Services Bill 2013 as a prelude to the imposition of water charges. Can the Tánaiste state whether a water services (No. 2) Bill will be published before the end of the year? Have the heads of that Bill been agreed to? Can he tell the House when the Bill is likely to be published?

The Tánaiste: The heads of a water services (No. 2) Bill have not yet been agreed to.

Deputy Seán Ó Feargháil: The Government gave a commitment in the programme for Government to do something about the plight of the 32 survivors of thalidomide, particularly to look after their growing health and social care needs. Members who met representatives of the survivors in Leinster House during the week have reported that far from taking action or engaging with the survivors on their growing social and health care needs, the Minister for Health has left them in a position where they believe their existing support structure is no longer guaranteed. Will the Tánaiste indicate when the Government intends to introduce some proposals in this regard?

An Ceann Comhairle: Is there promised legislation in this area?

The Tánaiste: While no legislation is promised, the commitment in the programme for Government will be fully honoured.

Deputy Thomas P. Broughan: What is the current position on the workplace relations Bill and the employment permits Bill? At what stage are those two Bills? Is there anything the Tánaiste can do to help the excellent staff in Beaumont Hospital, given that approximately 45 patients were on chairs one night last week for the entire night or most of it?

An Ceann Comhairle: I think we-----

Deputy Thomas P. Broughan: The Tánaiste has been in government for two years.

An Ceann Comhairle: We can deal with the promised legislation, but we cannot deal with this issue.

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Deputy Thomas P. Broughan: Patients and staff are trying to operate in incredible conditions. Is the Tánaiste making any input into the work of the Department of Health?

An Ceann Comhairle: If the Deputy tries to raise this matter as a Topical Issue, I will give him an opportunity to speak on it.

Deputy Thomas P. Broughan: I will be unable to do so for a few weeks. The Tánaiste might like to respond now while he is here.

An Ceann Comhairle: We cannot do it on the Order of Business.

Deputy Thomas P. Broughan: It is important for the Tánaiste to comment on how he might bring additional resources to Beaumont Hospital, one of the premier hospitals in Dublin, and assist patients rather than leaving them on chairs for 30 or 40 hours.

An Ceann Comhairle: I appreciate that this is a very important issue, but it is not appropriate to raise it on the Order of Business.

The Tánaiste: The workplace relations Bill is progressing. It is a large piece of legislation which is expected to be published in the next session. We are two years into the life of the Government, as Deputy Thomas P. Broughan said, and this is the first occasion on which he has raised the issue of Beaumont Hospital with me. However, his colleague, Deputy Seán Kenny, has raised it with me. The matter is being dealt with.

Deputy Thomas P. Broughan: I raise it all the time. I have raised it with the Minister.

Deputy Robert Troy: That is a low one.

Deputy Thomas P. Broughan: I raised it with our Ministers of State when we had two of them.

Deputy Robert Troy: The Labour Party still has two Ministers of State. It is just that they have changed.

Deputy Thomas P. Broughan: I am talking about when we had two female Ministers of State.

Deputy Barry Cowen: Will the Deputy elaborate on what he means by “we”?

Deputy Brendan Ryan: As a formal acknowledgement of the important role of the Irish labour movement in the struggle for independence and the creation of the modern Irish state and in remembrance of those who suffered and died in the 1913 lock-out as they fought for workers’ rights, does the Government intend to formally remember the events of Bloody Sunday on 31 August?

An Ceann Comhairle: I think the Deputy knows that is not strictly in order on the Order of Business. I suggest the matter could be dealt with by means of a parliamentary question.

The Tánaiste: I will give a short answer. It is the Government’s intention to mark the event. We have had discussions with the Irish Congress of Trade Unions about it.

Deputy Dara Calleary: Will the Tánaiste confirm that legislation relating to the unified patent court will be published in the next session? Does the Government still intend to proceed

with a referendum on the issue in the autumn?

The Tánaiste: I cannot give the Deputy a fix on when the legislation on the patent court will be introduced. I understand the legislative committee is meeting today and that this is one of the issues being considered.

Deputy Dara Calleary: Is the referendum still going ahead?

The Tánaiste: My understanding is that a referendum will probably be required. Obviously, that is something to which we will return.

In Camera Rule in Childcare and Family Law Proceedings Bill 2013: First Stage

Deputy Robert Troy: I move:

That leave be granted to introduce a Bill entitled an Act to amend section 29 of the Child Care Act 1991, as amended by the Child Care (Amendment) Act 2007 and section 46(2) of the Child Care (Amendment) Act 2011 to deal with the application of the in camera rule under the Child Care Act 1991 and to amend section 40 of the Civil Liability and Courts Act 2004 to deal with the application of the in camera rule in certain family law proceedings.

An Ceann Comhairle: Is the Bill opposed?

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): No.

Question put and agreed to.

An Ceann Comhairle: Since this is a Private Members' Bill, Second Stage must, under Standing Orders, be taken in Private Members' time.

Deputy Robert Troy: I move: "That the Bill be taken in Private Members' time."

Question put and agreed to.

An Ceann Comhairle: As Deputies Michael McGrath and Pearse Doherty are not present in the Chamber to introduce their Private Members' Bills - the Mortgage Resolution Bill 2013 and the Finance (Local Property Tax Repeal) Bill 2013 - I will move on to the Bill in the name of Deputy Caoimhghín Ó Caoláin. Perhaps we might leave the two Bills over until after the Easter break.

Deputy Caoimhghín Ó Caoláin: We will leave them until later in the day, if possible.

Statute of Limitations (Amendment) Bill 2013: First Stage

Deputy Caoimhghín Ó Caoláin: I move:

That leave be granted to introduce a Bill entitled an Act to provide that certain persons

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shall be under a disability for the purpose of bringing actions relating to symphysiotomy and pubiotomy performed on them without medical justification, for that purpose to amend the Statute of Limitations, 1957, and to provide for matters connected therewith.

An Ceann Comhairle: Is the Bill opposed?

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): No.

Question put and agreed to.

An Ceann Comhairle: Since this is a Private Members' Bill, Second Stage must, under Standing Orders, be taken in Private Members' time.

Deputy Caoimhghín Ó Caoláin: I move: "That the Bill be taken in Private Members' time."

Question put and agreed to.

Insolvency Proceedings: Motion

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): I move:

That Dáil Éireann approves the exercise by the State of the option or discretion under Protocol No. 21 on the position of the United Kingdom and Ireland in respect of the area of freedom, security and justice annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, to take part in the adoption and application of the following proposed measure:

proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No.1346/2000 on insolvency proceedings,

a copy of which was laid before Dáil Éireann on 9th January, 2013.

Question put and agreed to.

International Agreements: Referral to Committee

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): I move:

That the proposal that Dáil Éireann approves:

(i) the terms of the Agreement between the European Community and its Member States, of the one part, and the Republic of South Africa, of the other part, amending the Agreement on Trade, Development and Cooperation, signed at Kleinmond, South Africa on 11th September, 2009,

(ii) the terms of the Framework Agreement between the European Union and its

Member States, of the one part, and the Republic of Korea, of the other part, signed at Brussels on 10th May, 2010,

and

(iii) the terms of the Framework Agreement on Comprehensive Partnership and Co-operation between the European Community and its Member States, of the one part, and the Republic of Indonesia, of the other part, signed at Jakarta, Indonesia on 9th November, 2009,

copies which were laid before Dáil Éireann on 17th January, 2013, be referred to the Select Committee on Foreign Affairs and Trade, in accordance with Standing Order 82A(3) (b), which, not later than 23rd April, 2013, shall send a message to the Dáil in the manner prescribed in Standing Order 87, and Standing Order 86(2) shall accordingly apply.”

Question put and agreed to.

Departmental Sectoral Plans: Referral to Committee

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): I move:

That the proposal that Dáil Éireann, in accordance with section 31(6) of the Disability Act 2005, approves of the Sectoral Plan (2012 Edition) prepared by the Minister for Transport, Tourism and Sport, a copy of which was laid before Dáil Éireann on 20th March, 2013, be referred to the Joint Committee on Transport and Communications, in accordance with Standing Order 82A(4)(j), which, not later than 23rd April, 2013, shall send a message to the Dáil in the manner prescribed in Standing Order 87, and Standing Order 86(2) shall accordingly apply.

Question put and agreed to.

Animal Health and Welfare Bill 2012 [Seanad]: Report Stage (Resumed) and Final Stage

Debate resumed on amendment No. 44:

In page 56, between lines 13 and 14, to insert the following:

- “(iv) feral cat populations,
- (v) animals sold as pets,
- (vi) canines used for breeding purposes.”.

- (Deputy Maureen O’Sullivan).

An Ceann Comhairle: Amendment Nos. 44 and No. 45 are being discussed together.

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): For the record, the idea behind amendment No. 44 came up on Committee Stage, at which time I pointed out that such a tracing system can already apply to any animal. Therefore, adding these specific examples is unnecessary and may serve to confuse matters rather than improve them. The amendments I am making on microchipping of dogs show my commitment to the issue of appropriate and beneficial animal tracing systems. As worded, this section allows any animal to be subject to a system of tracing and, accordingly, it does not need to be amended. If I accepted this amendment, it might be read as meaning that only dogs kept for breeding could be subject to a tracing system, whereas my intention is that microchipping for dogs will be extended to all.

With regard to amendment No. 45, a census requires all animal owners to provide details of the animals they own. As feral cats are those which, by definition, have no owner, this amendment is inappropriate. I am tabling an amendment to Part 11. As currently drafted, if a person does not comply with an animal census, he or she is guilty of a lower, class B, offence. The proposed amendment will make it clear that persons have a period of time within which to make a return. This eliminates the possibility they could be deemed to be in default as soon as the census goes out.

I wish to make a broader comment on these amendments and also on the microchipping of dogs, which has received quite a lot of coverage today. There has been some exaggeration in the media about the cost. This is unfortunate and was, I think, done in an effort to create a headline rather than to report factually what was said yesterday. What I am going to do in time is to introduce a regulation, after a full consultation process, which will require that by a certain date in the future all dogs in Ireland will be microchipped, regardless of their age, who owns them or whether they are working dogs, so that we have a clear picture of the dog population in this country, who owns them and where they are. I believe that is good practice from a management and welfare point of view in terms of rehoming, abandonment and so on. In my view it should have happened many years ago, but it is going to happen now. We will ensure, through that consultation process, that dog owners can do this in a way that is as affordable as possible. I would hope, although I cannot confirm it at this stage because the consultation has not begun, that we will get a very positive response from vets in agreeing to insert microchips as cheaply as possible, and we will certainly get a positive response from animal welfare groups. I hope the vets will do it for cost price, which would certainly mean people would be paying less than €10 to have their animals microchipped. The suggestion that it will be €50 or more per animal, at a time when people are already strapped for cash and in difficulty, is an exaggeration made to try to create a headline. I think it is wrong and that it will be proven to be wrong when we move through the consultation process.

This is a positive animal welfare measure. People should welcome it and I believe the vast majority of dog owners in Ireland will welcome it as a measure to ensure that animals are not being abused or abandoned easily. There is a responsibility that goes with owning an animal. That responsibility, in my view, is enforced and enhanced by having proper animal identification and a national database. We can now do that with modern technology, and dogs are the obvious place to start. We will also be doing something similar with horses, but that is perhaps for another debate. We will be talking about this in committee in the coming months, given that more than just microchipping will be required in the cases of horses as they enter the human food chain. In any case, we have been through that debate.

On the issue of feral cats, we need to be realistic in terms of what is possible. It is not appropriate to specifically name a certain category of animal in this section, so I do not propose

to accept amendment No. 44 or 45, but I hope colleagues will accept my amendment, No. 46.

I encourage people who are interested in this area to read the code of practice that we have had in place for some time. As I said yesterday, we have increased funding to animal welfare organisations and we may need to continue to increase funding if the problem continues. I know there is a particular issue at present in regard to horse welfare, particularly with regard to the amount of space in the horse sanctuaries that are being provided by the ISPCA and others. This is a problem to which we need to figure out an answer. However, it is important that we have now linked the funding of welfare organisations and their set-up to their adherence to a code of practice that introduces international best practice based on the five freedoms and other items such as a track, neuter and return programme for feral cats, a neutering and spaying programme for dogs and cats and a rehoming programme for dogs. In other words, we are ensuring best practice and a common standard across all of these bodies. Most of these bodies are run by people who are absolutely well-meaning, and some of them have mortgaged their own homes to look after animals. We are trying to give some funding to support that activity, but we also want to ensure they do not take on more than they can handle in terms of welfare and also that they abide by what I would regard as international best practice in terms of ensuring the welfare of the animals they are looking after. Even though these bodies are rescue centres, there can sometimes be welfare issues linked to them. I hope that deals with some of the issues raised yesterday.

Deputy Éamon Ó Cuív: I agree with the Minister. I was slightly shocked this morning to listen to a radio interview on “Morning Ireland” in which the headline was about the cost of such services. There was then an interview with someone from an animal welfare organisation who welcomed what the Minister is doing in regard to microchipping.

The Minister’s approach is right. Microchipping is a very good idea and I fully support him in this regard. It is important, as the Minister pointed out, to make sure this is done as cheaply as possible and that an arrangement can be arrived at with the veterinary services to do this. I am sure goodwill will be shown to the Minister. In the event that people cannot afford it, I am sure groups such as the Irish Blue Cross, with some assistance, could ensure the service is available for people who are genuinely less well-off. If we compare the cost of keeping and feeding a dog with the one-off cost of microchipping it, the benefits far outweigh the cost.

Will there be a central register? If a dog is microchipped, one can say one knows who the owner is, but one only knows this if there is a record. In what way will that operate? Dog licences are, apparently, only purchased by 13% of the population. A law observed in the breach is not a good law. Is consideration being given to abolishing the dog licence when microchipping is introduced? According to the figures, only 13% of the population have a dog licence. I do not think a law that operates on that basis is a good one. If one was suddenly to make the figure 100% tomorrow and accompany it with microchipping, one might meet resistance. Perhaps the matter should be considered.

Is there such a thing as a feral cat in the context of the Bill? Can anybody presume a cat is feral? By not specifying feral cats, do we effectively treat all cats equally? I ask this question because there is a concern that animal and vermin extermination companies are putting down feral cats, but there is no clear way to identify whether a cat is feral. I am curious about the legal advice the Minister received on this issue. If one makes feral cats a specific subgroup, will one weaken the protection of feral cats in respect of extermination companies? Will one end up defining them and saying they can be treated differently from other cats? The only upside to

having a definition is the introduction of a policy of trapping, neutering and releasing, an issue which is worthy of debate and needs further examination. I seek clarification of what would happen if we were to introduce a definition at this late stage. Would we create unintended consequences that would have the opposite effect to that which we desire? I know people are concerned that extermination companies are being hired and seem to have a free hand. I do not know how they determine one cat is different from another in a scientific way.

Deputy Maureen O’Sullivan: I also agree with the Minister’s and Deputy Éamon Ó Cuív’s argument regarding how following a three hour debate yesterday, the media chose to focus on one item and got it so wrong. I was here yesterday and heard what the Minister said about microchipping and his efforts to ensure this would be done at minimal cost. Like Deputy Éamon Ó Cuív, I was shocked this morning to find that this was the one item that had come up, which was very disappointing. I also acknowledge what the Minister said about the tremendous work done by welfare organisations, of which there are many, and the funding they received. I am glad to hear this funding will continue. Many individuals have done Trojan work in looking after animals that have been abandoned and neglected.

There is no doubt that there is a problem with feral cats which must be addressed in some way. Many of these so-called feral cats are linked with the domestic cat population because of overbreeding and it is sometimes difficult to distinguish between them because if a domestic cat has been out roaming for a short while, it can have the look of a feral cat. People have told me that domestic cats were taken and exterminated by pest control companies before their owners had had a chance to get them back. The point I was making yesterday about pest control companies was that they were not animal welfare organisations and should not have any role in dealing with cats. The simple way to deal with feral cats and the overbreeding of cats is to use the trap, neuter and return approach. We are talking about greater regulation which I would like to see included, perhaps not legally, but there is a need to look at this issue more thoroughly.

Deputy Clare Daly: Again, it is important to support the points being made about the media coverage of the debate yesterday and the misrepresentation of what we are trying to deal with. It is yet another example of the very poor quality of media we have in this country. We had a debate on very substantial legislation dealing with animal health and welfare. While we might be among the Minister’s biggest critics, it does not take away from the fact that many of the measures included in the Bill will improve animal welfare beyond anything we have seen before. The media singled out one very important issue in respect of a very important part of the animal population because citizens love their dogs. Many people already microchip their dogs and pay big money for them. As Deputy Éamon Ó Cuív noted, they pay a considerable amount of money to keep them. It is incredible that a protection measure for their benefit would be misrepresented in that way. It is also incredible that the media did not bother to address the significant omissions from the Bill, including - the key source of disappointment for most Irish people - measures to deal with fox hunting and hare coursing.

The Minister is providing for the microchipping of all dogs, which is great. I note the point he has made that this will be a gradual move, not happen overnight and be done in a way that will minimise the cost to homeowners. The problem is that cats are not treated in that way. It is not that the amendment is making a distinction between domestic and feral cats, as the legislation does this. That is the problem because it classes cats that are not owned as vermin. In that sense, they do not have protection under the Bill and pest control companies can legally trap and kill them. The legislation protects owned cats, but, as Deputy Maureen O’Sullivan noted, one cannot distinguish between the two as they wander. While there is a code of practice in

place, the problem is having that code implemented. I know the Minister increased the funding, but there is a significant number of groups that do much work through voluntarism and which need much more than what has been provided, particularly against a backdrop of austerity where animal welfare issues are more to the fore.

Deputy Simon Coveney: The issue of feral cats is not straightforward because there are many cats that are effectively wild animals. They do not have owners and live and breed in the wild. However, that does not mean we do not have a responsibility towards them. They are not classified as protected animals in the Bill, but section 12 which prohibits animal cruelty applies to wild animals, as well as to protected animals. Of course, there are extra legal obligations on the owners of protected animals, many of which we have discussed. However, there are also strong protections in the Bill for wild animals in terms of prohibiting cruelty and people's responsibility towards wild animals. That applies to feral cats in terms of how they can be trapped. Let us be clear that they are not considered to be vermin. They are considered to be wild animals in terms of the legal classifications outlined in the Bill. That poses problems because anyone who knows rural Ireland as well as most Deputies knows that there are many farmyards on which essentially there are semi-wild cats breeding in an uncontrolled fashion in a barn or sheds. As a result, there are far more kittens than one would otherwise want and semi-domestic and semi-wild cats roaming around the place. When one has suburban populations at the edges of the countryside, these cats find their way into an urban environment and there is then an issue around reporting feral cats and problems linked with them. I am not sure how we can deal with that issue by legislative means. Obviously we cannot call for the micro-chipping of all wild cats in the country as well as domesticated cats as this would be impossible. We need to be practical. However, we may need to be more proactive such as involving local authorities and community organisations in the catch-neuter-release programmes. The Department already provides funding support for that activity but we may need to do more. If I were to attempt to legislate on the subject of feral cats, I would create more problems than I would solve. We need to adopt a pragmatic response such as supporting welfare organisations and local authorities. I would like to be informed if it is the case that companies are being hired to undertake pest control and are putting down large numbers of cats inappropriately. The Department would follow up on any such reports.

Deputy Éamon Ó Cuív: Without labouring the point, I refer to an issue raised in Galway and in other places. A pest control company was hired to exterminate cats. It was alleged this was to do with the hospital in Galway. The Minister has put it very well. There are three classes of cat. A fully domesticated cat lives in the house; the second class of cat is attached to a premises but fends for itself quite a bit; the third class is the completely wild cat. The challenge is that if the legislative route is chosen it will be a case of how to define the three classes of cat and then how will the cats be identified in practice. There are two options. Pest control is not the way to deal with feral cats. Legislation is not always the answer to a problem; a non-legislative programme to deal with the issue by means of welfare bodies may be preferable. Ensuring that the codes of practice stipulate that feral cats cannot be treated as vermin and that this rule is implemented, would give better results. Once the Bill is passed - I know the Department has a large work programme - I ask that in the second half of this year the Minister would come to the committee with proposals on how a programme might be put in place to deal with the feral cat issue in a positive way. In my view, schemes and programmes and working with animal welfare organisations and ensuring that it is not viewed as vermin control would produce the same result in a slightly different way, one that avoids impossible legal definitions and the impossible interpretation - which is the big problem - of the legal definition. It is very difficult to

be absolutely certain of the status of a captured cat. Is a record maintained other than on the micro-chip?

Deputy Simon Coveney: I will answer that question. There is a touch of Animal Farm about this discussion, in that some cats are more equal than others. I take the Deputy's point. I do not wish to make too many promises in this regard but I will come back to the committee in the autumn with some proposed initiatives.

I will clarify what I propose to do with regard to the micro-chipping of dogs. We want every dog in the country micro-chipped and those micro-chips to contribute to a national register, just as we will need for horses. This will allow me to answer the question of the number of dogs in the country, their owners and their locations.

Deputy Éamon Ó Cuív: Will this obviate the need for a dog licence?

Deputy Simon Coveney: It may. The current situation is unsatisfactory. The dog licensing system is only taken seriously in part by dog-owners. People who wish to be fully compliant with the law will pay for a dog licence but others do not regard a dog licence as a serious matter. We need a much clearer system which obliges compliance by all dog-owners and which uses modern scanning technology to provide full information on the dog. The technology is available. Other countries are pressing ahead with this system and we should get on with it. However, it should be affordable. Some of the welfare organisations have already offered to provide micro-chipping for those owners who may have a difficulty with the cost. There will be options for those owners and these can be worked out during the consultation process.

An Leas-Cheann Comhairle: Does the proposer of the amendment wish to respond?

Deputy Maureen O'Sullivan: As the Minister said, feral cats are not vermin so there is no role for pest control companies in dealing with feral cats. Like Deputy Ó Cuív I am getting calls from people about the activities of these pest control companies. There are good indications that where the trap-neuter-release system is put into practice, it has a very positive effect on the number of feral cats in an area. ISPCA and Done Deal are helping communities - I mentioned Cape Clear yesterday - to cope with this problem by using the trap-neuter-release system.

Amendment put and declared lost.

Deputy Maureen O'Sullivan: I move amendment No: 45:

In page 57, line 25, after "description" to insert "including feral animals".

Amendment put and declared lost.

Deputy Simon Coveney: I move amendment No. 46:

In page 57, to delete line 40 and substitute the following:

"within such period, being not less than 14 days, specified in the notice from the service of the notice and in such manner as specified in the notice."

Amendment agreed to.

An Leas-Cheann Comhairle: Amendments Nos. 47 to 49, inclusive, are related and may be discussed together.

Deputy Simon Coveney: I move amendment No. 47:

In page 63, line 5, after “7,” to insert “9,”.

Most of the remaining amendments are technical amendments. Unless Deputies wish to ask questions I will deal with them quickly. These amendments are minor and technical in nature to clarify that organisations with which the Minister enters into a service agreement are not permitted to make regulations but that they may operate or enforce regulations made by the Minister.

Amendment agreed to.

Deputy Simon Coveney: I move amendment No. 48:

In page 63, line 5, after “26(2),” to insert “36(1) regarding the making of regulations,”.

Amendment agreed to.

Deputy Simon Coveney: I move amendment No. 49:

In page 63, line 6, to delete “, 7”.

Amendment agreed to.

An Leas-Cheann Comhairle: Amendments Nos. 50 to 52, inclusive, have been discussed with amendment No. 1.

Deputy Simon Coveney: I move amendment No. 50:

In page 64, after line 29, to insert the following:

77.—The Dog Breeding Establishments Act 2010 is amended, in section 17(b), by the insertion after “Act of 1986” of “or regulations made under *section 36* of the *Animal Health and Welfare Act 2013*”.

Amendment agreed to.

Deputy Simon Coveney: I move amendment No. 51:

In page 64, after line 29, to insert the following:

78.—The Welfare of Greyhounds Act 2011 is amended—

(a) in section 12(7)(b), by substituting for subparagraph (iii) the following:

“(iii) Part 2 or 3 or regulations made under *section 36* of the *Animal Health and Welfare Act 2013*,”

and

(b) in section 15(8)—

(i) in paragraph (a), by substituting for subparagraph (iii) the following:

“(iii) an offence under the *Animal Health and Welfare Act 2013* relating to a contraven-

tion of Part 2 or 3 or regulations made under *section 36* of that Act,”

and

(ii) in paragraph (b), by substituting for subparagraph (iii) the following:

“(iii) an offence under the *Animal Health and Welfare Act 2013* relating to a contravention of Part 2 or 3 or

regulations made under *section 36* of that Act.”.

Amendment agreed to.

Deputy Simon Coveney: I move amendment No. 52:

In page 66, between lines 10 and 11, to insert the following:

“

No. 32 of 1986	Control of Dogs Act 1986	Sections 20, 24 and 29
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“

Amendment agreed to.

Deputy Simon Coveney: I move amendment No. 53:

In page 74, to delete lines 11 to 14, and substitute the following:

“37. The provision of controls either generally or in relation to a particular area in respect of animal populations for the purposes of promoting, maintaining or improving animal health and welfare, including—”.

Amendment agreed to.

An Leas-Cheann Comhairle: Amendment No. 54 arises out of committee proceedings.

Deputy Simon Coveney: I move amendment No. 54:

In page 74, lines 38 and 39, to delete “paragraph 39” and substitute “*paragraph 40*”.

This is a technical amendment to correct a cross-reference after an earlier amendment. I do not know why it was not grouped with that earlier amendment.

Amendment agreed to.

An Leas-Cheann Comhairle: Amendments Nos. 55 to 57, inclusive, are related and may be discussed together.

Deputy Simon Coveney: I move amendment No. 55:

In page 77, to delete lines 12 to 14.

These are technical amendments to update the list of legislation.

Amendment agreed to.

Deputy Simon Coveney: I move amendment No. 56:

In page 77, between lines 28 and 29 to insert the following:

“

40.	Brucellosis in Cattle (General Provisions) (Amendment) Order 2007 (S.I. No.666 of 2007)
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“

Amendment agreed to.

Deputy Simon Coveney: I move amendment No. 57:

In page 77, after line 57, to insert the following:

“

54. Brucellosis in Cattle (General Provisions) (Amendment) Order 2012 (S.I. No.554 of 2012)
55. Bovine Tuberculosis (Attestation of the State and General Provisions) (Amendment) Order 2012 (S.I. No. 555 of 2012)

“

Amendment agreed to.

Bill, as amended, received for final consideration.

Question proposed: “That the Bill do now pass.”

Deputy Éamon Ó Cuív: I thank the Minister for the very patient way he has dealt with the Bill and his willingness to accept amendments from the Opposition. I hope the Bill is a better Bill because we have gone through the full legislative programme. I compliment him on not succumbing to the temptation that must have been there yesterday, as we come to the end of the term, to guillotine the Bill and push it through. I compliment him on allowing every Deputy a full opportunity to make what, in my view, were important contributions on issues of public debate. By extending the debate, which is not to say that it took a huge length of time, the Minister added greatly to the sense of public buy-in to the legislation. I hope we see the regulations coming forward soon. I look forward to the various issues the Minister has mentioned coming before the Joint Committee on Agriculture, Food and the Marine and the full implementation of very important provisions to protect animal health and welfare in a way they have not been protected up to now. We will deal through regulations with what some Deputies feel are outstanding animal welfare issues to ensure that cruel practices are not allowed.

Deputy Martin Ferris: I associate myself with Deputy Ó Cuív’s remarks on the Minister’s handling of the debate. He took several amendments on board. It is a good Bill, not least because the debate was conducted in the proper way. I thank the Minister.

Deputy Simon Coveney: Thank you.

Deputy Maureen O'Sullivan: I am disappointed on the big issues of blood sports, in particular hare coursing, the cruel practice of digging out foxes, the use of traps in badger culling and fur farms. However, I acknowledge the Minister's patience and the way in which he has co-operated and, with his staff, been available to discuss the issues with Deputy Clare Daly and I. It was a very good exercise and was conducted in a dignified way that did justice to the animals we are all very concerned about.

I lay down the marker that we will discuss blood sports again. We are not giving up on that one. I thank the Minister for what he has done for animal welfare. The legislation goes further than any previous provisions.

Deputy Clare Daly: I record my compliments to the Minister also. Animal protection and welfare are more important than ever against the backdrop of evidence of a rise in cruelty and abandonment on foot of economic issues and general austerity. Protection is required to a greater extent than ever. Undoubtedly, there are significant gaps in the existing provisions. Given that we are catching up through many welcome provisions in the Bill, the lack of certain protections and the continuation of blood sports, including hare coursing, and the digging out of foxes are even more abhorrent. Those are issues we will focus on very shortly.

The way the Minister has handled the passage of the Bill has been excellent. Hours of debate have gone into the legislation over months. Substantial changes have been introduced and all of us have developed our understanding of the issues through the dialogue that has been engaged in. I agree with many of the points made by the Minister who said that legislation is not the vehicle for many issues to be addressed. The proof of the pudding will be in the implementation of codes of practice, the resources provided and the engagement with citizens to raise consciousness on these issues to advance matters for animals. While some of us have, as we showed yesterday, very little experience of moving legislation, the passage of the Bill has been the most participative legislative process I have seen in my time in the House, which is great. It is a testament to the efforts of the Minister.

Minister for Agriculture, Food and the Marine(Deputy Simon Coveney): I thank the Deputies for participating. There has been genuine engagement. I decided to initiate the Bill in the Seanad, where there was also a really good debate. The Bill has taken a great deal of time to process, but that has been a good thing. The approach has not been party political, which is how legislation which is not really about ideology, with the exception, I accept, of what for some are blood sports and for others rural pursuits, should be progressed. While we have not gone as far as some would like on that issue, we have gone some distance in the right direction to address the concerns of Deputies Clare Daly and Maureen O'Sullivan through regulations and provisions on legal action to require that standards are met in the digging out of foxes or fur farming.

I did not get a chance to address issues relating to badgers yesterday. I hope to move to a vaccination programme for badgers when I see that we can make that move without undermining our work on TB. Sometimes one has to make decisions that have animal welfare consequences in both directions. We do not want to see the incidence of TB increasing in Ireland again and must take the appropriate action to ensure that does not happen while limiting any impact on animal welfare. For that reason, we addressed in detail on Committee Stage the manner in which badgers are caught and put down in the targeted programme.

I thank my officials who have put a great deal of work into the Bill. The process began under the last Government, which it is important to recognise. It was a Bill I wanted to prioritise when I was given the opportunity to be a Minister. I feel very strongly about the issue. Deputy Clare Daly or Deputy Maureen O'Sullivan mentioned yesterday that a country could be judged by how it treats its animals because they do not necessarily bite back. That is true. The legislation is long overdue. It is ridiculous that we have had to respond to extreme cruelty and welfare issues with legislation that dates back almost 100 years. I was shocked, but not surprised, only last week when someone came to my office to report extreme issues related to the welfare of horses in Cork City. I sent veterinarians from my Department to investigate immediately and they attended with gardaí where they found a field in which there were the carcasses of three horses that had recently died. A further nine horses in the field were dying and there was a newly born foal. All of the animals had to be put down due to their condition. That is totally unacceptable. The Bill will deal with this type of issue.

In time, the regulations we introduce will see the introduction of microchips for horses and dogs which will allow us to ensure that severe instances of animal abuse or welfare issues can be dealt with through the rigours of the law. That is what we should be doing as we should with dog fighting or where people are unable or unwilling to accept their responsibility for looking after animals. A series of benchmarking regulations are provided for in the legislation as is the creation of a set of tools for gardaí, authorised officers and animal welfare organisations which will allow them to act in a fair, balanced and practical way to address welfare and cruelty issues in rural and urban environments. Everybody who has contributed to the debate has, therefore, done a good day's work. They have put in many hours over a prolonged period. I hope we can make the Bill law and that I can get on to bring the debate to committee to set the parameters and agree the specifics of the series of regulations and codes of conduct we intend to introduce.

I thank Deputies for their co-operation and seriousness and look forward to their support in making the legislation work.

Deputy Éamon Ó Cuív: We all thank the Minister's staff. They have been magnificent and very helpful.

Question put and agreed to.

An Leas-Cheann Comhairle: A message shall be sent to the Seanad acquainting it accordingly.

12 o'clock

Common Agricultural Policy Reform: Statements (Resumed)

Deputy Michael Moynihan: My apologies for being late to the Chamber. I propose to share time with Deputy John Browne. I welcome the opportunity to speak on CAP negotiations and CAP reform. We have a very serious crisis at the farm gate in respect of the fodder crisis. In my part of the country, we are on the back of a desperate summer. Some people in my area have cattle inside since June last year. I appeal for something to be done for these

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people. There is major despondency about this point. I acknowledge that commodity prices have increased but costs, including the cost of production, have increased greatly. People I talk to have seen their profits wiped out for 2012 and are looking into 2013 expecting their profits to be wiped out. This is a major crisis. The banks, the merchants and the co-ops should be taking a lenient view of what is considered a reasonably good outlook in the long term for agriculture and commodity prices. We must encourage people.

We are at a crossroads in agriculture in respect of the negotiations in CAP. What will be determined will be the blueprint for agriculture over the coming decade. The argument has constantly been about protecting the productive farmer, making sure that the payments are there for people who are working extremely hard to develop their farms and businesses, and for Ireland Inc to ensure it has an agriculture industry with a huge amount of exports in beef, sheep and milk. There is also a section of society comprised of farmers who want to be productive. Over the years they have benefited from very small payments and strived to develop a business for themselves and their families so that they can live off the land. They want to be productive farmers and it is not true to say that those on small payments are not productive. Such language should not be used within the farming sector. They are productive and a huge number of the people I meet, as I am sure the Minister does, are mad to get into agriculture on a full-time basis. They want to ensure they can derive a living from their land or the land they rent. This sector must be seriously examined because of the amount of exports that can be grown by Ireland Inc if we allow the underdeveloped agriculture sector to develop further.

We should also acknowledge the massive contribution made by farmers over the past 20 years in respect of regulation. We have a world-class food industry and a world-class product we can sell any stage because farmers have taken major regulation nationally and from Europe. They have bought into it at the farm gate. Some of the articles were written recently against agriculture in respect of greening. No sector has been so concerned with the environment or has worked the environment so well over the past 20 years. The farmers have taken a major amount of regulation but have built up a world-class product at the farm gate and it can be stood over by any Minister, Government or Department. According to some of the proposals put before the Commission last week, it looks like over the coming three months to the end of June there will be a major onus on us to ensure that whatever redistribution takes place, the man working his land and who is prepared to work his land is looked after. Similarly, we should encourage the man who has a very small payment through no fault of his own, who bought land or rented land due to family circumstances and is prepared to develop the industry and sees a future for himself and his wife and family in agriculture, whether in milk, beef, sheep or tillage. The statistics of the European Parliament show the small percentage of young farmers. National debates also use this statistic as a barometer. A huge number of people are prepared to do it providing the payments are in order.

Comments made by certain people within the farming industry refer to different proposals. The capping of the Common Agricultural Policy must come into play. It is certainly an issue that must be examined. We cannot have 80% of payments going to 20% of farmers. There must be redistribution and meaningful capping of payments. In past negotiations, capping has been introduced at a level that has no meaningful role. The issue is that a huge number of farmers may not, because of the size of their single farm payment, be classified as productive farmers. They are willing to work the land and derive an income from it but there must be a base payment and a floor to allow them to grow and develop their industry so that we can increase our product in line with the Food Harvest 2020 document produced by Deputy Brendan Smith. We

must achieve the commitments within that document and grow the industry as we grow into the emerging markets looking for a quality product such as the Irish product.

The Common Agricultural Policy has a 10% cut in funding. We must ensure Pillar 2 is looked after in respect of the farming side and the rural development side. There is an agenda to try to streamline the rural agenda development side into local authorities and to do away with Leader companies throughout the country. That is a retrograde step because people all over Europe are looking at Ireland's model of the distribution of Leader funding. People are trying to copy it all over Europe while in Ireland we are trying to dismantle it. This is very serious for farming. It is the template for agriculture going forward and we must look at it very seriously.

As I said, there is a serious fodder crisis. People from my part of the country are travelling hundreds of miles to source feed. It behoves us all to ensure there are meaningful talks with the farming community and that a worthwhile measure is put in place to alleviate the crisis.

Deputy John Browne: I welcome the opportunity to speak on CAP reform. I come from County Wexford, where we have had a major debate on productive versus non-productive farmers. I have attended many meetings with the IFA on this issue. As the Minister knows, County Wexford would be one of the-----

Deputy Simon Coveney: Was the Deputy outlining the Fianna Fáil position?

Deputy John Browne: I am going to outline my position in regard to Wexford farmers-----

Deputy Simon Coveney: That was not the question.

Deputy John Browne: -----who are very important to agricultural production in this country. As the Minister will know, we have very productive farmers in Wexford and very strong food products are provided by them. We have Irish Country Meats, Slaney Meats, Kavanagh Meats and a number of companies which provide very valuable job opportunities for the people of Wexford. In addition to paying good money to farmers for their products, they provide considerable employment in the county and we want that to continue.

The Minister, in the negotiations, was always going to be against the clock in trying to protect the amount of money available, but we must recognise the importance of agriculture to this country. It is one area of the economy which, in recent years, has expanded, developed and provided some hope for the future.

One of the concerns expressed to me by farmers in the south east is the reduction in the size of CAP funding. As Deputy Moynihan said, there will be a reduction of approximately 11%. The direct payments pot remains unchanged at €277 billion, which amounts to a €58 billion reduction in the current budget, beginning in 2014. The single farm payment allocation to Ireland has been reduced by €42 million and there is serious concern in the farming community about how this will pan out. If farmers have to take a reduction, it will affect their operations in the future. It is very important that the Minister, in conjunction with the Parliament, fights to ensure farmers' incomes are protected.

Heading 2, covering agriculture, rural development, fisheries and financial instruments for the environment and climate action, should not exceed €373 billion, of which €277 billion will be dedicated to market-related expenditure and direct payments. I read in today's *Irish Examiner* that the Minister for the Environment, Community and Local Government, Deputy

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Hogan, cast doubt on Leader spending. As the Minister will know, I have argued for quite some time that the Leader programme should revert to the Department of Agriculture, Food and the Marine because the Minister for the Environment, Community and Local Government, Deputy Hogan, and his Department have made a bags of it. The Leader programme is currently on hold in terms of approving projects. That has gone on for two months and Leader projects throughout the country have told me they have a number of projects ready to be approved but they cannot get any direction from the Department of the Environment, Community and Local Government. Will the Minister intervene? There are some good and worthwhile projects in the pipeline which cannot get approval as the programme is on hold in the Department of the Environment, Community and Local Government. It has said a review is being carried out and the Minister, Deputy Hogan, said this cast doubt on Leader spending of €314 million. Those involved with Leader projects have told me they would spend that money and more if they had it. There seems to be a conflict between the Leader programmes and the Minister, Deputy Hogan. As the Minister in the House knows, good and worthwhile projects have been approved by Leader in my county and, I am sure, in every other county. The hands of the boards of Leader projects are tied, and I ask the Minister to intervene. I argued with the former Minister, Deputy Ó Cuív, that it was a major mistake to take the Leader programme out of the Department of Agriculture, Food and the Marine. It should always be in that Department because it concerns rural development.

I support what Deputy Moynihan said about the fodder crisis. It may not be as big a problem in County Wexford as in other counties. I am sure some Wexford farmers are benefitting by selling fodder to other parts of the country, although it is a problem in some parts of County Wexford. It is a major problem nationally and I have been contacted by the IFA and the ICMSA in this regard. The Minister should engage in serious negotiations with farmer organisations to ensure that some reasonable solution is found to this issue, which is of major concern to farmers.

I refer to Harvest 2020. We received a document in the past week from Food and Drink Industry Ireland entitled “Shaping the agri-food future: Policy priorities of the food and drink sector 2013”. It refers to achieving the targets of 2020 not only in the production area but in new and existing markets and in developing markets in the EU and further afield. What proposals does the Minister have in that area? What working arrangements does he have with Food and Drink Industry Ireland and the primary producers in regard to moving on the processing and production facilities required in the future?

In regard to the removal of the milk quotas in the next couple of years, many farmers have told me they will need major financial investment if they are to deal with the milk production that may come on stream. I read a Teagasc report recently which stated that a farmer would need €500,000-plus to get into milk production. The IFA put forward a programme recently on how we could deal with this. Will the Minister examine it? Certainly, farmers will not have the financial wherewithal to start from scratch to develop a milk programme on their farms without some financial help and grant aid. It is an area at which we need to look now rather waiting until the quotas are abolished only to find we are not in a position to produce the extra milk required under Harvest 2020.

The Minister has been fighting a rearguard action until now. I am sure that with the Parliament and the Council he will continue to fight on behalf of Irish farmers, because agriculture seems to be the one bright area in the economy where there is a future. Many young farmers are going back into farming and the agricultural colleges are full, which is a good thing. Farm-

ers must travel to Piltown, Cork, Galway and elsewhere to do farm education courses, but they should be able to do them locally in the vocational colleges. There are opportunities there for the future.

Deputy Martin Heydon: I welcome the opportunity to speak and thank the Whips for giving time to the very important issue of CAP reform. I welcome the work the Minister has done and the agreement by the Council of Ministers a couple of weeks ago. This is a very important development which gives some certainty in the final stage of the negotiations to the farmers of this country, because it has been a time of great concern for them. Some of the concern may have arisen from media reports and an element of lobbying by the IFA, which was representing the fear among farmers on the ground.

Points made to the effect that a flat-rate payment of approximately €196 indicated the Minister's position were very unsettling for farmers and were inaccurate. That was unfortunate and led to many heightened fears over the past couple of weeks. On foot of the agreement on the position of the Council of Ministers, we have given ourselves great flexibility as we enter the trilogue phase. That is very important.

Deputy John Browne referred to farmers from Wexford. Fianna Fáil did not necessarily represent the farmers from Wexford well in any way. It did not represent well the farmers of Cork, who were mentioned by Deputy Moynihan, or the farmers of Kildare or most parts of the country. There was flip-flopping by Fianna Fáil. At one stage, Deputy Éamon Ó Cuív was proposing more flattening than Commissioner Ciolos̄ was seeking. It would have decimated production levels in this country and it was most unfortunate. At a committee meeting, Deputy Éamon Ó Cuív referred to a Leitrim farmer in the IFA who believed he was not well represented by the association. I asked whether the Deputy was representing Fianna Fáil's position or just that of his constituents, and he was adamant that, as Fianna Fáil spokesman, his position was that of Fianna Fáil. If his proposal had been accepted, it would have been extremely damaging for agriculture in this country.

This is not a matter of pitting east against west or big against small; it is about fairness. There is nothing fair about payments being based on activities of farmers in 2000, 2001 and 2002. We need to move away from this and there needs to be redistribution. It was recently said to me there are 15,000 tillage farmers receiving single farm payments, yet only 5,000 are in the grain assurance scheme. How many of the 10,000 farmers who are not in the scheme tilled ground in the reference years and do not do so now? The debate has been about the arm-chair farmer. We do not want to be rewarding a farmer who is not active. At present, there are farmers receiving payments who are not active but who were active in the reference years. Redistribution and updating are very important.

The reference year is crucial. This was a major issue for Ireland, in particular. Ireland was the only country for which it was an issue. Initially, when 2014 was the likely reference year, the Minister and his officials received a concession. It was stipulated some entitlements would have to be activated in 2011, but that in itself was not taking the sting away given that Ireland, uniquely, has a considerable amount of conacre. The price of conacre was driven sky-high in recent times. There was a change, however, albeit at the 11th hour. The Council of Ministers stipulated that a reference year of 2012 or 2013 could be used in addition to 2014. If that is to be final position, it would be most helpful for us in Ireland. Irrespective of the year that is finally chosen, having the possibility to opt for a different reference year would be beneficial. It is already taking the sting out of the market. Crazy prices were asked for land, and land was

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being taken back from farmers who continuously had conacre. They were unable to gain access to land in the year in question. This was not good for agriculture as a whole in the country. I acknowledge the work of the Minister in that regard.

Over the past year to 18 months, the position of the Minister has not changed. At public meetings around the country, he stated consistently that the position of the Commissioner was to seek a move towards flattening. Only 12 to 13 months ago, the Irish compromise proposal was singularly an Irish one. It received support in principle in January or early February from the Council of Ministers. This was confirmed at its recent meeting. The approximation model is very much on the table. It is a question of flexibility and giving us the opportunity to look after our own destiny in many respects. While we accept that there is a need for redistribution, a move to full flattening would be very damaging for agriculture in Ireland. The approximation model, if it is in the final mix, will be a great help.

Let us consider some of the elements that the IFA and others were including in the mix when talking about cuts. Some of these pertain to the 3% for the national reserve, the 2% for the young farmer and 1% for the crisis. We do not have enough young farmers. The age profile is frighteningly high. On the one hand, farming organisations could welcome and support the essential measure for young farmers but, on the other, they could say it is a direct cut for farmers. The latter was not the case. It is worth bearing in mind that if what is allocated is not drawn down fully, there will be a possibility of a top-up payment for farmers at the end of the year.

I want to touch on the subject of sugar. Considerable progress was made regarding the position of the Council of Ministers. When Ireland stopped engaging in sugar production, many of us knew it was a terrible mistake. We all know this with the benefit of hindsight. It was as much a mistake for the indigenous economy as for any other sector. The European Court of Auditors backed this up in its report in 2010, stating the withdrawal was based on flawed information. In bad years, it was the beet cheque that always paid the bill for tillage farmers. I know this from my uncle. I was a member of the beet association for years and snagged beet on cold January days around Athy. I remember that I frequently sat on lorries going to the factory in Carlow.

We lost the ability to enjoy the benefits of sugar beet as a rotation crop. Industry, the largest user of sugar in the country, does not like paying through the nose for sugar, as it has been doing for the past couple of years, and it cannot handle a lack of security of supply, which has also been an issue. I am aware of a business in Kildare that lost a contract for the provision of chocolates to an airline on the basis that it did not tick the box for provenance. The ingredients were not local. When one hears about such cases and the impact on jobs outside the agriculture sector, one realises it is crucial that we return to sugar production in Ireland.

There have been some very positive feasibility studies. I acknowledge the work of BEET Ireland, in particular. I was delighted to have the opportunity to travel to Brussels with Deputies Andrew Doyle and Tom Barry in November. We met senior officials and experts in sugar to make the case for Ireland's return to sugar production. The Commission stipulated a date of 2015. The Ministers have agreed on 2017. The Parliament's position refers to 2020, with the derogation for Ireland. I accept that derogations can be very messy, be they for Ireland, Portugal or Slovenia. A cleaner cut is a better approach for us. It is in our interest to have the framework gone by 2015. We could possibly live with 2017. Who is to say that, in the trilogues, we will not be able to pare another year off this, if possible?

With regard to the recession and the economy in general, I have always said we do not need

to reinvent the wheel. While the smart economy, IT and pharmaceuticals are important, we need to get back to basics. There is no better example of an indigenous industry lost during the boom than the sugar beet industry. It survived the great depression of the 1930s and recessions in the 1950s and 1970s, but, unfortunately, it did not survive the Celtic tiger. Ireland has the climate, soil type and grower expertise for sugar production. We need to return to sugar production and support all the measures in that regard.

With regard to greening, there has been considerable concern among farmers. The measures agreed by the Council of Ministers provide greater clarity on our position. The proposal is much better than the one that was initially on the table. Variable greening is crucial. There could have been flattening by the back door. I commend the Minister on the progress made in this regard.

With regard to crop diversification, farmers with between ten and 30 hectares of arable land must have two crops. That is an improvement on the original position. Farmers with over 30 hectares must have three crops, but when one allows for the fact that winter and spring barley are considered two different crops, one realises the measure will not be as onerous as originally feared.

On coupled support, the Minister's position indicates a figure of 7%. Again, this gives us flexibility. Between coupling and the coefficient, the whole point is that when the process is finished - by the end of June, I hope - the Minister will have the maximum amount of flexibility for us to do what is best for us within Ireland. I wish the Minister well in the trilogues. It is interesting that we are now in a sufficiently strong position. The Minister has engineered a good negotiating position. We will be agreeing with the Commission on positions such as those on sugar while we may not necessarily be agreeing with it on subjects such as flattening, in respect of which we will be more likely to side with the Parliament. That is how the process will work. I wish the Minister well in the upcoming negotiations.

Deputy Peter Fitzpatrick: I welcome the agreement reached by the Minister for Agriculture, Food and the Marine, Deputy Coveney, on the new round of Common Agricultural Policy, CAP, payments. These new payments brokered by the Minister represent a fantastic result for farmers in Ireland. The Minister endorsed the principle of flexibility in the way in which direct payments are to be distributed within member states, known in Ireland as internal convergence. From Ireland's perspective, this has been the outstanding issue in the negotiations.

Reform of CAP was necessary to respond to future challenges for agriculture and rural areas, namely, variable food production, sustainable management of natural resources and climate action. Ministers from 27 member states of the EU accepted a package of proposals tabled by the Irish Presidency and successfully concluded what is known as a general approach on the CAP reform package. This agreement between the 27 member states is not the end of the road. The Irish Presidency will represent the Council in discussions with the European Parliament and the Commission.

The Irish Presidency's proposal for an inter-institutional political agreement by the end of June remains on target. The Council also agreed to the proposals from the Minister, Deputy Coveney, on the greening of direct payments. These proposals add flexibility to the Commission's original proposals to ensure that farmers can practise sustainable agriculture without overly bureaucratic impediments. The agreement also addresses Ireland's requirements for greening payments to be based on a percentage of farmer's single payment rather than a flat rate.

Pressure on agricultural income is increasing as consumers demand higher standards in production and traceability while input costs continue to rise. The reform proposals contain a strong greening element, requiring many to adopt farming systems that are favourable to the environment. There is enormous economic and social value in keeping productive farmers at all levels of production on the land. Agricultural income makes an important contribution to the local economy. Farmers purchase goods and services and provide employment in local communities. For these reasons, among others, agricultural incomes across the spectrum must be supported.

The proposal also makes specific reference to the need to reduce administration costs and the burden on direct support to small farmers. Proposals to further strengthen rural development policies were agreed, providing member states with the opportunity to transfer funds from direct payment ceilings to supports directed at rural development. These proposals are favourable to smaller producers who, in comparison to larger producers, require income support to achieve greater efficiency and are less able to adapt to market and environmental changes. This should be of benefit to families in Ireland.

I congratulate the Minister on gaining acceptance for the package of proposals put forward by the Irish Presidency. The proposals were agreed following protracted negotiations resulting in a general approach on reform of the CAP.

Deputy Brian Stanley: The debate within the farming community regarding the current proposals on reform of the CAP payments system has been intense and will become more intense as we move towards a final decision on the shape of the new scheme. The perception that the outcome will not include a better deal for small and medium sized farmers is causing a good deal of disquiet, particularly in counties with smaller holdings and poorer land where payments are, on average, low and often lower than the average industrial wage. In my own area of Laois, a huge part of which is classified disadvantaged, this is having an effect.

At a meeting last week, attended by a large number of farmers, the overwhelming view was that farm leadership has not properly represented the majority of farmers who would stand to gain if there is a fairer distribution of payments. There is also the perception that the debate has not been conducted in as open a manner as it might have been. While some farm leaders have given the impression that any move towards a flat rate system, of whatever design, would be bad for Irish farming in general, and for most Irish farmers individually, that is not the view on the ground, in particular by small to medium sized farmers.

There is resentment at the insinuation that farmers on smaller payments and with poorer land, who often have to seek part-time off-farm employment to supplement low incomes, are in some way lesser farmers. This resentment turns to anger when it appears that certain farm leaders, while opposing a redistribution of payments to actual farmers, defend the huge payments to a tiny proportion of recipients, a significant number of whom are not active farmers but agribusinesses. Massive payments have been made to a small number of farmers in the recent past. It is absurd to believe that cutting the payments of a farmer earning over €100,000 will adversely impact on productivity and that increasing the payment of the farmer on less than €5,000 will encourage him or her to sit at home with their feet up watching television. Yet, this is the logic of some of the statements made in opposition to a move towards a fairer distribution of payments. There has been huge opposition by vested interests in this regard. The actual distribution of current payments illustrates the imbalance. As stated by other speakers, just over 2,000 recipients of the single farm payment, with entitlements of €50,000 and above,

receive more between them annually than do the more than 50,000 farmers in receipt of less than €5,000 per annum. For example, in County Leitrim, more than 88% of farmers are on payments of less than €10,000 per annum and over 25% receive less than €2,000 per annum. It is small wonder then that there is anger at the stance of those who appear to be putting the interests of seven individuals on payments of €50,000 and more above the interests of 3,355 other Leitrim farmers. This applies right across the west of Ireland. Of the 53,000 farmers in Counties, Donegal, Sligo, Leitrim, Mayo, Galway, Roscommon and Clare, only 185 are in receipt of a single farm payment of more than €50,000 per annum. Is anyone seriously claiming that the interests of those 185 farmers outweigh the interests of all the others?

I hope that the Minister will not allow the debate on the final shape of the reform to be dictated by the interests of a few. While there is some disappointment with what has taken place thus far, the debate has not concluded. There are options for a radical redistribution of payments, including the option to front-load on the first 32 ha, for which Sinn Féin will be calling. The reference in last week's agreement to flexibility has been interpreted by some to mean that this State ought to come down on the most conservative interpretation of the proposals. Sinn Féin and tens of thousands of small and medium sized Irish farmers argue the opposite. The Minister, in the face of what will be intense pressure, ought to take the more radical options, where available.

Sinn Féin also spoke last week of the need to make it easier for young farmers to establish holdings. The current age profile of farmers, particularly on marginal land in Ireland, is a crisis in the making. There is need for address of this issue, including by the EU. As well as supporting younger farmers, we must make it more attractive for older farmers to hand on farms and keep the industry going. The success of the EU CAP negotiations and decisions made in regard to flexibility in redistributing available funding locally will have a major impact on agriculture and food production in rural areas. We must ensure these holdings are sustainable over the next decade. The decisions made now will have a major impact over the coming decades not only on agriculture but on local economies, the agri-food business and our national economy and well-being. I urge the Minister to focus on ensuring the holdings of small and medium sized farmers are sustainable and viable, not to be dictated to by a small cohort of farmers and agribusinesses that are sucking the lifeblood out of the CAP system and to ensure the payments are fairly distributed.

Deputy Liam Twomey: The Minister did an excellent job in the negotiations on the Common Agricultural Policy, CAP, in getting us to this level and there is no doubt that task was difficult. I live next door to one of those young farmers we talk about which this country badly needs. My 11 year old and 12 year old sons have learned to milk cows and feed new-born calves. Living in close proximity to this working farm has kept me very much in touch with what farming life is like today. It is very different from the type of farming I did when I was a younger.

Young farmers such as the farmer who lives next door to me are investing heavily in modernising and building up their farms. They are making a huge commitment in that respect now and for the future. Looking after farm animals and trying to get land ready for this year's crops in sub-arctic conditions shows how unpredictable farming can be when one considers that the children were going around in T-shirts on that farm this time last year.

It is important for us to bear in mind how the farming sector is faring and what we want to get from that sector. Farmers provide raw materials to the agri-food industry, which is worth

€9 billion to the economy, an industry we badly need at this time. In County Wexford, for instance, there are a large number of hardware stores, co-op stores, milk processors and meat factories and the livelihoods of the people employed in those outlets depend directly on what farmers are doing on their farms. There is a large number of pubs, shops and hotels directly dependent for their survival on how we make agriculture work. That is why the CAP negotiations are extremely important to ensure we look after productive farms and that we are able to fulfil the 2020 policy strategy for farming. Having regard to when milk quotas will go and the fact that basic prices for farm produce are good now, we need to be able to exploit that. We must ensure farmers who are investing in their farms and young people who want commit their lives to farming know that the unpredictability that surrounded the sector is being removed. There must be a clear pathway for how their future in farming will develop. That is one aspect that the Minister, Deputy Coveney, has made clear for the farming community.

There is a commitment to redistribution and that has been made clear. The Minister is right in the way he is moving in this respect. We cannot make huge changes overnight. We must be careful how we go about it. We do not want to create unpredictability in the sector and that those farmers who are working hard to produce €9 billion worth of raw materials for our agri-food business have confidence in investing in their future in farming and will continue to do so.

One thing we can do is to commit to co-funding in terms of the funding we secure from Europe and the Minister must try to get a clear commitment from his colleagues in Cabinet to do that. We must ensure that the other Ministers commit to that because such funding is hugely important for farmers who live in disadvantaged areas and farmers who rely very much on those schemes that provide small amounts of money. Such funding is vital. We must focus our energies on securing a commitment in that respect. We can leave it to the Minister to do the work in Europe and thus far he has done great job, but from our point of view we must work to ensure that co-funding continues.

The Minister was right about changing the reference year. That has helped to cool down some of the madness in regard to renting land, and that is important.

I agree with what Deputy Martin Heydon said about how we should be gearing up for the sugar beet industry. A good deal of work has been done in this respect and it is now time to test the business models in terms of getting that industry up and running again and to move from the theory to the practice. If sugar beet quotas are to go in 2017, we should prepare for that now and gear up to see if it is a sustainable industry and one we can bring back into economy. We need to move from talking about it to acting on it.

There are other issues on which the Minister needs to keep an eye. Change has taken place in the way the plcs are splitting up with the primary processing business returning to the co-ops and the value-added element of the business staying with the plcs. We need to monitor that. Farm prices are good at the moment but if they were to fall for a period, that could have a significant effect on the sustainability of co-ops for the future which again could affect our agricultural sector. The Minister's Department needs to monitor that and to ensure we keep farming on the sustainable pathway that has been achieved in the past number of years and that is being very much supported by the policies that the Minister is bringing forward at this time.

If I were to say three things in the sector that matter to me, I would single out the reference year, which is extremely important, productive farming and making sure we can continue to fulfil the targets under the 2020 policy strategy, and keep the existing jobs in rural Ireland. I

refer not only to jobs on farms but jobs in the meat factories, local co-ops and local hardware stores. The sector also sustains shops and hotels in County Wexford and elsewhere. That is the reason it is important that we focus on the productive development of farming.

We in this House should raise a debate on the co-payments. There will be a great push to cut the budget of the Department of Agriculture, Food and the Marine in the next few budgets because things are still difficult here. The importance of co-payments and EU funding for the sector should be taken into account. Such funding is important not only for rural Ireland and those engaged in farming but for all aspects of Irish society. It is important that we very much focus on that issue.

There will be huge changes in the next few years in the way huge changes have occurred during the past decade. The value added element of Irish produce and the fact that we have a very good raw ingredient has made easy the accessing of foreign markets. When I was in Berlin on one occasion people were talking about the different types of steaks and I was amazed that Irish steak was mentioned. Our product is deemed to be a very superior one. We must make sure that we protect that. The way the Minister dealt with the recent horsemeat crisis was appropriate. We have shown that we are transparent in how we dealt with it and that we are extremely concerned to maintain high standards. It will be reflected in the future that we are a country producing the best quality agricultural raw ingredients and product for the market.

I support what the Minister is doing and I hope we can continue along this line in producing the best products and keeping farms sustainable. Changes to CAP are important in regard to the funding that will be put aside for new entrants and for people who possibly do not receive single farm payments at this time. Some people did lose out because they were not actively farming at the time the reference years were taken into account in the past. That discriminates against people who want to be involved in productive farming and who should be getting supports in the same way as people who were actively involved in farming at the time.

The Minister has made a clear commitment that there will be redistribution in that many farmers who were in receipt of extraordinary payments, of whom there are only a very small number, will have their payments reduced. The figures show that there will be substantial increases for a huge number of farmers for a number of reasons be it that they are not in a physical position to be able to work their farms to the highest level, their land is marginal or for other reasons. They are not engaged in the productive element in farming and their payments have historically been lower because of that. The Minister is right to improve that position for those farmers. In many parts of the country it depends on where one's farm is. I grew up in west Cork where there are many disadvantaged areas and areas where it can be very difficult to farm. I represent County Wexford, which is completely different. The land is very productive and the farmers use every inch of it. They make a massive contribution to the local and national economies and we should give them every support possible. We must also make sure we look after farmers who are not capable of working or whose land cannot sustain the type of production I see in County Wexford. I commend the Minister's work and urge him to keep it going.

Deputy Mattie McGrath: I too am delighted to be able to speak today on CAP reform. Like other speakers I compliment the Minister, because his task was not easy. It was a difficult time for him but he had a wonderful family event in the midst of it, which I hope worked out well, and I hope the christening will be wonderful too, whenever he gets around to it.

This is a very important issue which cannot be dealt with glibly or lightly. It is very complex.

I welcome the fact that redistribution is on the table and the reference year had to be considered. I come from south Tipperary, from the foot of the county on the Waterford border, where there is a diverse mix of land. We cannot penalise productive farmers for being productive and for investing and helping us to meet our targets. There are also severely disadvantaged areas, such as uplands with sheep and very little else. They are affected by planting on adjoining land and the worry now about the sale of Coillte and straying deer. At one time Coillte did a lot of fencing, but now it fences only until trees reach a certain height and then abandons the fencing. The farmers have a problem with sheep straying in and the damage deer do when roaming the farms.

Deputy Simon Coveney: For the record, there is no proposal to sell Coillte.

Deputy Mattie McGrath: I accept that. We debated that here quite recently. Towards the end of the debate, and speaking afterwards to the Minister for Public Expenditure and Reform, Deputy Howlin, who took the debate, I had the feeling that the Government would not go back on that commitment. I was worried in case certain high-ranking former Members of this House were involved in a smash-and-grab, which must not happen.

We must deal with CAP reform in a balanced way. The small organisations separate from the IFA must also be heard because they represent small producers. It cannot be a case of one-size-fits-all. I know how important agriculture is to this economy, having been born and reared on a farm and seen the transition from sitting on a three-legged stool to milk the cow to the highly mechanised and professional systems for dairy farming and sophisticated mechanisms for crop-farming. I am sure the Leas-Cheann Comhairle remembers the three-legged stool too.

Last night we discussed the Animal Health and Welfare Bill 2012. I fully supported the Minister. Of the farmers I know, 99.9% are very concerned about animal welfare and do not have to be lectured by the Dublin Deputies on how to look after their animals and treat them fairly. It would suit those Dublin Deputies better to go down and see what goes on in the country before they get too tied up in knots about little furry animals. We continue to receive e-mails this morning from people who condemn us, but we live in a democracy. More than 100 Deputies voted one way and only 12 or 13 voted the other way. When will these people listen? Why do they not stand for election themselves and come in here and change the whole situation? That is what I say to the people who are pestering me with e-mails today, some of which are quite scurrilous. We put up with that and accept it.

An Leas-Cheann Comhairle: We had a very good debate on that topic this morning.

Deputy Mattie McGrath: We had. I missed the debate this morning but I was here last evening. The people outside the House want to continue the debate and twist our arms, telling us how to vote. I am a democrat. I said last night it is a pity that there were not 100 Deputies in here who wanted to vote against the Bill, which would answer these people's problems.

To return to farming-----

An Leas-Cheann Comhairle: Yes, please do.

Deputy Mattie McGrath: I understand there are complexities, in that large payments have been made to some inactive farmers. I understand that disability may render a farmer inactive, but I am talking about factory farms, not farms being run as viable agricultural units. We must be careful and understanding of land mass and land uses in general. Although I hate to say it, there is a concern in my county, which has a proud record of equine industry, about the amount

of land any one conglomerate can own. Many young farmers have contacted me recently about the constant purchasing of land by certain conglomerates. There should be some boundaries there, because one size does not fit all. It is difficult for young small farmers. It is great to see people turning back to agriculture in such large numbers. During the Celtic tiger days it was not sexy to be in farming, if Members will pardon the expression. A five-day-a-week or four-and-a-half-day-a-week job with handy hours and better money was more attractive.

Thankfully, the farm has sustained our economy since the inception of the State. In the last two recessions that I remember that farming played a profound role in our recovery and it is ready, willing and able to do so again now, provided the bureaucrats allow it to do so. While I am all for health and safety and regulations, we cannot just stifle ourselves with regulations. I started a discussion this morning about the number of gardaí in the country and their situation. In my town, Clonmel, the ratio is 600 people to one garda. The last time I checked the figures there were only 40 farmers to one agricultural official. That is overkill. The Minister is talking about bringing in further legislation on dog control, which is very necessary. There are too many officials in the agriculture sector and not enough in other areas, such as the Garda Síochána. I am not saying it is the Minister's problem. I suppose he inherited it. We have to get the balance right. Farmers are bedevilled with too many officials and too much health and safety. There was a farcical situation in County Cork recently when lads filled a pothole. Well done to them. It would have been a shame on them if they had not filled it because somebody else would have been injured. Many of these people who arrive with briefcases and so on are very good but many are too zealous. They are over the top. People question me about the EU and its rules but the biggest problem is the number of statutory instruments and additions that we make to them when they come into our system. We should look at what happens in France and elsewhere.

The relationship between farmers and banks is at a low ebb because the banks lied to the last Government on the night of the bank guarantee and they are lying to this Government. They are not playing ball with farmers as business people. I regularly meet farmers who cannot buy fodder. Their overdraft facilities are cancelled. The banks tell us they are lending because they call people in about their overdrafts and send them out with a term loan under their arms. They are forcing them to take out term loans because farmers have to feed their animals. This matter was raised this morning. It is especially true in this prolonged winter. We had a terrible summer and a reasonable enough winter, and the weather dried up in early March, but now the weather is very bad, fertiliser has been put out and the crops that have been sown are struggling. We have a fodder crisis. Banks need to put their shoulder to the wheel, because the farmers were always good to the banks. They always paid their debts. Even in the last recession in the 1980s they were the only people who had huge borrowings but they paid them off.

I am sorry Deputy Twomey has left the Chamber. There is a great group of farmers in County Wexford who are standing up to the blackguarding of the bankers and the liquidators who are sending people out with pieces of paper, claiming they are court orders when they are not. They bring security companies with them - heavy-handed people. Thankfully, on a few occasions they have been removed because the paperwork was not right. The laws of the land are being flouted. Agriculture and land are very emotive issues in Ireland. There have been land wars. We need only think of *The Field*. The banks' code of practice is not worth the paper it is written on because they are not adhering to it. They have over-zealous liquidation companies who claim to have court orders and all the law on their side. I sat in a bank with a group of people who were in trouble and the managing director told me his lease and hire purchase agreements

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were more powerful than any court order. These bankers need to be taught a lesson. They need to be exposed and outed, because that is the way they think and feel. They are worse than the agents they send out, the marauding thugs who have in some cases beaten up farmers and their families and small business people and their families. They are worse.

CAP is very important and so is reform.

1 o'clock

However, we must get our own house in order, and call off these bloodhounds and get them to work with the farmers and support farmers who always supported them. Farmers always paid their way and want to pay their way. Harvest 2020 is hugely important, but the spirit of farmers and agricultural communities is being broken. Agricultural contractors have been affected also.

I am a proud member of the FCI, Farm Contractors of Ireland Association, a new organisation which is one year old and was launched by the late Deputy and Minister of State at the Department of Agriculture, Food and the Marine, Shane McEntee. We have sent proposals to both the Minister for Agriculture, Food and the Marine and the Minister for Finance highlighting the importance of the agricultural contractor sector to Harvest 2020. We are all in this together and the sooner this is recognised the better. Professional agricultural contractors receive no fuel rebate, while other sectors such as hauliers do. The FCI wants a simple contractor invoicing system for all farmers to cut out much of the black economy and allow farmers to reinvest. The banks must assist contractors in renewing their machinery which must be replaced every three to five years. However, they have reneged in providing credit for this sector. The bankers have sold their lending books for as little as 20% in some cases, yet they demand 80% to 100% payments from contractors. Sweet cosy deals have been done with bankers to sell off their loan books and send the heavies to the contractors who owe on their loans. This despicable practice must stop. We had enough of it in the days of the Peep o' Day Boys and the Black and Tans. Some High Court judges are sitting up and taking note of these practices and ensuring banks know the limits of their rights and powers when repossessioning machinery and so forth. Their practices, of course, will spread to home owners soon. The best growing industry in the country is liquidators and their agents, a third force, a militia, who are going beyond their powers to beat up, intimidate and threaten debtors. Some of them are not even Irish but of other nationalities who have been trained by armies. These are the heavies sent to deal with our people. We must stop this practice and support our people, whether they are in houses, business or farming and stand up to these bullyboy tactics and the banks.

I was always a proud activist in the sugar beet industry and we used to have a sugar factory in Thurles. I am looking forward to a meaningful examination of restoring the industry after 2017 when the sugar quota is abolished. Not being personal, I heard the Minister's brother one morning on a RTE programme talking about reviving the industry. However, I am not happy with the behaviour of Greencore in this saga of the closing down of the sugar industry. I am less happy with the behaviour of the former Fianna Fáil Government that presided over its closure. It was a disgraceful sell-out. The mistake was made in closing the Carlow factory which was down to greed. Some developers wanted a brownfield site in Carlow, which was why it was sold. We have the ideal location for a new factory in Lisheen, County Tipperary which the Minister passes on his way home to Cork. It is an excellent, centrally located site, with access

to an excellent road network.

Sugar beet was a fabulous rotation crop and the sugar industry provided employment throughout the year from ploughing and tilling to the sowing of seed. As a buachaill óg I thinned beet, from which I gained a good experience of life. Then there was beet harvesting, the crop, the nuts and the pulp. It was an all year-round industry for farmers, their families and contractors. It was reckless to close down the industry. The role of Greencore and the former Government left much to be desired. It was a wonderful industry that had been set up from scratch with small farmers and nurtured into a significant industry with larger farmers. I came from a farm where we always had 40 acres given over to sugar beet production, as it was a wonderful rotation crop. It is still being grown and used as fodder; therefore, the expertise has not been lost. The Minister could re-establish the industry when the sugar quota goes after 2017. It is the one mark he could leave on his Department. I have already recognised that he is doing a good job.

The FCI is lobbying the Minister for Finance to examine some of its meaningful proposals. One involves the fuel rebate which was extended from hauliers to bus companies. Sadly, it was not extended to agricultural contractors. We all know about the cost of oil. The FCI is also looking for a simple, registered invoicing system for all farmers to ensure only registered contractors would be used to ensure payments were all above board. I am not knocking any farmer's son who wants to buy a tractor to do some contracting work, but it has to be done within the legitimate system. Contractors are struggling, but we have a professional organisation led by Mr. Timothy O'Brien. Their concerns and proposals need to be listened to and systems put in place to ensure contractors can achieve the Harvest 2020 and Common Agricultural Policy targets. Farming is now a challenging and highly skilled task. Most farmers hire in contractors because they have to concentrate on getting it right.

An Leas-Cheann Comhairle: I call on Deputy Paul Connaughton who I understand is sharing time with Deputy John Paul Phelan.

Deputy Paul J. Connaughton: I congratulate the Minister for Agriculture, Food and the Marine on how well the CAP reform negotiations are going so far. It is no mean feat to come up with a solution on how to spread the money across the country, never mind get 26 other member states to agree to it.

We now know redistribution will be the model chosen, one with which I have no problem. There are quite a number of farmers who receive either no single farm payment or very small rates of single farm payment who certainly deserve a lift. It is too simplistic, however, to make this out as a case of east versus west or north versus south. Coming from County Galway, I know quite a number of productive farmers who are doing their very best on marginal ground who will more than likely take a hit under in the redistribution model. There will also be a number of farmers who will gain and it will make the system fairer. From talking to farmers, the issue is not big versus small but productive versus non-productive farmers. It is about the farmer who is doing his or her very best against the farmer with many entitlements but who is not farming to the capacity he or she should be at. It is important we have this principle now that the system will assist those who will use the single farm payment to invest in their farms and boost production.

Initially, the claim was thrown out that the minimum payment would be great for farmers in the west. However, the agriculture sector is producing well and it is important we continue

to encourage this. Supports have to be in place for productive farmers, wherever they may be located.

The one concern farmers in the west have is about the proposed reforms to Pillar 2, rural development. Most farmers in Connacht are suckler cow farmers. This year payments under the suckler cow welfare scheme were reduced to a more marginal level simply because the scheme was coming to an end. However, the beef sector needs supports, particularly the suckler cow element. Because of the harsh spring, money is being lost on the majority of suckler cows. The price of beef is quite good, with which there is no issue, but input costs are high also. I know of many feed merchants throughout County Galway who are running out of stock as farmers struggle to feed their cattle and sheep. These farmers will take a hit this year. While prices may be good, which is welcome and long may it continue, input costs are remarkably high also. The suckler cow industry needs support, regardless of whether we return the suckler cow welfare scheme payment to a higher level, back up to €40. It was a great scheme because it included the production of weanlings and involved feed control measures, animal husbandry and so on. It did exactly what it had set out to do. Another ship is being readied to sail to Libya in the coming weeks. This is where the suckler cow scheme paid off, especially with regard to the welfare of animals on the boat. Our export trade will do far better out of it because of the quality of weanlings we are producing. However, it is a loss-making industry simply because of the weather. While the Minister may be blamed for many things, he cannot be blamed for the weather. We need to find a way around this problem because the suckler cow farmer and the beef sector need support from the next budget on, in whatever form the Minister decides to provide it.

We have seen a reduction in disadvantaged area payments. I understand the constraints under which the Department of Agriculture, Food and the Marine is working in respect of spending ceilings. However, from the a west of Ireland perspective, we cannot take further cuts in the disadvantaged areas payment. There is a considerable amount of marginal land and we need to protect farmers who are doing everything they can to make that land productive. Many such farmers are trying to be productive and it is important that we get across the line. I have no issue with redistribution as long as the money goes to farmers who are active and trying to produce. If this is at a lower level, fair enough. We need a strong Pillar 2 to be co-financed and aimed at the suckler cow herd, those who are producing and trying to get weanlings to the level they were at in the past three years. This can only help our export trade. I congratulate the Minister on the job he has done so far. However, it is like jumping the first fence in the Grand National: it is great to get over it, but there are many more to be jumped. Finding a job in the other 26 countries, never mind within this one, will be tough.

I wish to raise the issue of young farmers. There is a welcome top-up of their payment, one the Minister pioneered. They deserve that top-up, but the question goes back to the topic of education. We have seen an increase in CAO entry level points for agricultural courses. There is an agricultural college in Mountbellew, County Galway. Its numbers have shot up again and it is turning away students, but its future is not altogether clear. I am, therefore, keen for the Minister to work with Teagasc in the coming weeks, months and years to obtain support for the college because it is the last remaining agricultural college in the west. There is a perception that the farmer in the west is simply looking for money and is not really farming, but to me that is nonsense and rubbish. There are many productive farmers in counties Galway and Mayo who are trying to farm in the right way. It is unfortunate that they are doing so on marginal land. There are many young farmers in the west who simply want to have an opportunity to start farming and they need to be encouraged in every way possible. I congratulate the Minis-

ter on what he has done so far. I hope he will continue to support Pillar 2 disadvantaged areas payments and the suckler cow welfare scheme. I have no issue with the redistribution as long as the money goes to the farmer, no matter what the size of his or her farm is, who is producing and active and simply looking at the Harvest 2020 strategy to get numbers up.

Deputy John Paul Phelan: I agree largely with the previous speaker and commend the Minister for the work done thus far. I agree with Deputy Paul Connaughton that there is a good deal more to be done in the negotiations on the reform of the Common Agricultural Policy. If this had taken place in the old days, we would have an agreement now, but because of the new system in place and the involvement of the European Parliament, there are more hurdles to be jumped.

The initial proposals from the Commission would have been remarkably detrimental to the productive agriculture sector in this country. Almost single-handedly among his colleagues in Europe, the Minister for Agriculture, Food and the Marine decided to propose an alternative which would be to the advantage of the productive agriculture sector in Ireland. He has managed to secure agreement from the other Agricultural Ministers to support his position, which is no mean feat. As Deputy Mattie McGrath pointed out, in the middle of all of this he managed to see a new arrival in his family also. I hope he will get to see her at some stage in the coming weeks. I imagine he will do so over the long weekend ahead.

I agree fully with Deputy Paul Connaughton on the argument falsely made in many quarters that it is a case of east versus west. There are many farmers in my part of the world, County Kilkenny, who, for whatever reason, in the reference years in the early part of this century were not in a position to be as productive as they would have liked. As a result, they have relatively small single farm payments. They are now producing a good deal more and will benefit as a result. Even if there was no flattening or redistribution or the existing system was simply to have a different reference year, the farmers who are productive will benefit, regardless of the part of the country in which they are farming. We should be cognisant of the fact that a system based on the position ten or 12 years ago would never be sustainable into the future. The Minister has managed to secure a significant concession in terms of the new reference year. The possibility that the only option was to use next year, as initially outlined by the Commissioner, was having a distorting effect on the land rental market in this country; perhaps it was more distorted in this jurisdiction than anywhere elsewhere in the Union. However, the Minister has managed to ensure flexibility with regard to the reference year, which is a significant achievement in the first set of the negotiations.

The farming organisations, farmers and everyone else accept and know that there will be redistribution. I often find myself in agreement with Deputy Brian Stanley, but not this time. I was listening to his comments earlier in my office. He said, unbelievably, that there was the perception that it would not lead to a better deal for smaller and medium-sized farmers. There is not that perception anywhere. Perhaps if one was to repeat it often enough, such a perception could be created, but any redistribution will have benefits for smaller and medium-sized farmers in any part of the country. The Deputy is completely erroneous in that regard. Everyone agrees that the current system is in need of reform and updating and redistribution has to be introduced. That will be the final outcome when the negotiations are completed. It is simply a question of what the level of redistribution will be.

I agree with Deputy Paul Connaughton on the need to support active producers, those who are actively farming. The targets to which Deputy Mattie McGrath referred in respect of the

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Harvest 2020 strategy cannot be reached and the knock-on benefits for the economy, especially the rural economy, cannot be gained if we do not support the productive sector, regardless of whether it is based in County Galway, Mayo, Kilkenny or Carlow. That is the cornerstone of how the Minister has approached the negotiations and I fully support him.

Many of the people who have sought a larger redistribution and flattening of payments throughout the country ignore the fact that under the existing system, those with Pillar 1 payments which are made proportionately to those involved in the productive sector are compensated effectively, while Pillar 2 payments are made, rightly, to farmers who perhaps face more difficulties, whether it is because they are involved in a sector that is more challenging or because they are farming in a part of the country where the available land cannot support the level of production achieved in others. That is why the Pillar 2 benefits have disproportionately favoured farmers with poorer ground in particular sectors. This has brought about a levelling of payments over the past number of years, but that seems to go unrecognised by many of those who are looking for greater flattening and redistribution under the reform of the CAP.

The first significant negotiation success the Minister had related to the overall budget, but I have not heard anybody make much of a reference to that. However, in light of opposition from a number of the larger countries, it was significant that the budget for the CAP was so well protected. It was the Minister who chaired many of the negotiations and his success in that regard should be on the record.

I fully support the importance of Pillar 2. The proposals go some way further towards disproving the theory some people have that this is an east-of-the-country versus west-of-the-country argument. Significant portions of my part of the world - south County Kilkenny - are part of a disadvantaged area, as the Minister will be aware from listening to me over the past number of years. I agree with Deputy Connaughton with regard to the need to protect producers on marginal land and the disadvantaged area scheme and I have spoken on this issue on many occasions. Pillar 2 also proposes the introduction of a new, more user-friendly and supportive environmental scheme, an updated suckler cow welfare scheme and possibly schemes for the sheep sector. There is scope under the Pillar 2 funding for such schemes to be included.

I also want to commend the Minister on his efforts in regard to the sugar sector. The decision taken by a previous Minister to turn our back on that sector was incredible. It is important that we position ourselves to re-enter that business, and the Minister has had significant success in that regard in negotiation so far. I wish him every success in the upcoming difficult negotiations.

Deputy Michael Healy-Rae: The Minister is well aware that since he started his political career a number of years ago I have always supported him. I judged at the time he started out that he would be a great politician and a safe pair of hands for the future and I believe I have proved to be a good judge. We may not always agree on everything, but above all his colleagues, I have great faith and confidence in the Minister as a person of ability who is trying to do his best in a very difficult role. I will continue to support the Minister in his endeavours, as I believe he is genuine.

As the Minister would expect, I come at this issue with the view that these are dangerous times. I am aware of the Minister's view on farming and output and I hear other colleagues speak about increasing the viability of farms and production. That is all very well and it is great to speak about getting our farmers to be more productive. However, if a farmer is locked into

a small farm with poor-quality land, he can only produce and do so much. All the encouragement in the world cannot get that farmer to produce more. These farmers are caught in a trap. They want to keep farming and they hope their families will take over from them in the future, although that will probably be only a part-time job for their families then. We do not want to see these people leave farming or to see these households give up their family farm.

I would like to give a genuine example of a farmer, a man who is good with regard to the pounds, shillings and pence, who has 24 cows and who set out his position to me the other day. This year, his business is running at an increased cost of €5,200. Where did these extra costs arise? They arose because he did not have enough silage of his own and had to buy silage and, as the Minister knows, a tonne of ration has never been as dear. How will the farmer make up this increased cost? He cannot make it up as it is not there to be made up. The Minister is aware of the income a holding such as this farmer's, with 24 cows, would produce. At the same time, this farmer loves his farm and wants to farm it till the day he dies. When he dies, he wants some member of his family to take over.

The Minister is in a powerful position and I understand he must cater for the big farmers and producers. However, I want him to bear in mind the need to protect these smaller farmers also, as they are very important. I do not want the future viability of small farms to be decimated under the Minister's watch. I know he does not want that to happen, but he must bear it in mind in the negotiations. It is very easy for the Minister to visit us in Kerry from his constituency and provide an optimistic overview of what he perceives will happen in the future. I appreciate that when he is in Europe and other countries and everybody there is pulling at him, he is in a tough position, but he is capable enough to deal with that. However, I want him to remember these small farmers when he is there, because they have been the backbone of Ireland and have kept the country going through bad and good times. I hope they will be allowed to continue.

On the issue of evening out payments, these farmers have already lost a lot. For example, the €80 suckler cow payment used to be the bit of a boost these people desperately needed. The old €40 calf payment, small and all as it was, was a good scheme. If a farmer had 20 calves, that payment provided an extra bit of money that would buy ration or pay for work to be done on the land or for diesel. We are in dangerous times because we have lost so much. When I was growing up, virtually every farmer in my community was a milk producer. Some farmers had five cows and the bigger farmers had 20 cows. A man milking 20 cows was considered a big farmer in my area. Now there are not a handful of milk producers in my community. This shows how much the situation has changed. This has brought a great change to the way of life of those farmers. Formerly, they used to go to the creamery every day and shop in the local shops on their way home. This created a buzz in the community, but that has all gone. Now, where there are farmers producing milk, the lorry goes into their yards to collect it and that is it. It is all the big way or no way. I want to try to ensure that we protect the future viability of these small farmers.

Today, Teagasc sent out an e-mail requesting help from anybody with fodder to sell and asking these people to contact them because of the urgent need for fodder. Yesterday I called on the Taoiseach to introduce some sort of emergency scheme to provide fodder, because many farmers are out of silage and cannot afford to buy in fodder. Their bank accounts are overdrawn and grass is not growing and they have no prospect of leaving cows out. Farmers are going through a tough time and the past two years have been like the straw that would break the camel's back. Spring is so bad this year that if we do not get a good summer, it will be very easy to talk about what cattle will be left in this country. People will not have the confidence, finance or heart to

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keep a large stock of animals and feed them because of the roasting or burning they have got over the past two years. The past two years have been unbelievable. One could say it has been raining these two years. The ground has never been as badly poached and damaged. Farmers have not had a chance to roll their land properly. Some places are completely waterlogged. Good land is after getting a hammering, not to mind the type of land owned by the people I represent. As the Minister knows, most of the farms where I come from are small and the ground is predominantly poor. We are facing a tremendously torturous time. It is very difficult for farmers who are trying to send youngsters to school and teenagers to college.

The arrival in the Chamber of the Minister for Finance reminds me of the point Deputy Mattie McGrath made about banks being extremely hard on the farming community. In that context, I would like to compliment organisations such as the Kerry Group, of which I have personal knowledge. To be fair, that group is standing with the farmers by extending lines of credit to them. It appreciates that the farming community, more than any other industry in Ireland, has a track record of always paying its way.

Topical Issue Matters

Acting Chairman (Deputy Joanna Tuffy): I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Timmy Dooley - the need to examine the VAT rate for tourism related services to the coach and bus sector; (2) Deputy Joe Higgins - the failure to make funding available for an extension to Castleknock community college, Dublin; (3) Deputy Anthony Lawlor - the need for the water meters that are installed to be compatible with those meters already in place; (4) Deputy Thomas P. Broughan - the proposal to introduce parking charges at Howth Harbour, Dublin 13; (5) Deputies Seán Crowe and Clare Daly - the lack of adequate fire safety in an affordable housing development at Foxford Court in Lucan, County Dublin; and (6) Deputy Mattie McGrath - the shortage of fodder due to the prolonged period of bad weather.

The matters raised by Deputies Timmy Dooley, Anthony Lawlor, Seán Crowe and Clare Daly, and Joe Higgins have been selected for discussion.

Credit Reporting Bill 2012: Order for Second Stage

Bill entitled an Act to make provision for the establishment, maintenance and operation of a Central Credit Register for the holding of information about credit applications and credit agreements and parties to them; to make provision about the information to be provided for entry on the Register; to make provision for access to the information held on the Register for the assessment of creditworthiness and other purposes; to impose duties on parties to credit agreements; and to make provision for related matters.

Minister for Finance (Deputy Michael Noonan): I move: "That Second Stage be taken now."

Question put and agreed to.

Credit Reporting Bill 2012: Second Stage

Minister for Finance (Deputy Michael Noonan): I move: “That the Bill be now read a Second Time.”

The Credit Reporting Bill 2012 puts in place the legislative framework for a central repository of credit information, to be known as the central credit register. A credit register is a database of credit information based on credit applications and credit agreements. It assists lenders in making informed lending decisions and protecting higher-risk borrowers from excessive debt. The creation of a central credit register was sparked by reports produced in recent years by the Law Reform Commission, the Expert Group on Mortgage Arrears, the Central Bank and the Government’s banking inquiry, which illustrated the prevalent weaknesses in the Irish reporting system and highlighted the potential benefit of having an effective credit reporting system. Some privately run credit bureaus are operating in Ireland, but there is no central repository of credit data on a statutory basis. The private credit bureaus require their members to report credit information. As a number of credit providers are not members of any credit bureau, the information gained does not present an accurate picture of how much creditors are lending and how much an individual borrower is borrowing. Consequently, the full extent of a borrower’s indebtedness is not apparent.

The current system does not allow the Central Bank of Ireland to see the overall borrowing situation in this country. This may lead to lenders’ being unable to assess total borrower exposure properly. Equally, the current system does not allow for the identification of systemic risk. This unsatisfactory situation led to the establishment of an inter-agency working group tasked with developing a strategy to put in place an effective credit reporting system in Ireland. The report of the inter-agency working group on credit histories was presented to me at the end of June 2011. The recommendations contained in the report, which were developed following consultation with stakeholders, helped to inform the Department of Finance in drafting the general scheme of this Bill, which was published at the end of August 2012. Following the publication of the general scheme, further consultations were held with representatives of the finance industry, the Central Bank and the Data Protection Commissioner. Their comments were taken on board in developing the general scheme into the Credit Reporting Bill now before the House, as published on 28 September 2012. The achieved deadline of the end of September 2012 was a structural benchmark under the EU-ECB-IMF financial support programme. The changes that were made to the general scheme were in the interests of enhancing consumer protection. Some technical changes were also required.

I wish to outline the key elements of the Credit Reporting Bill 2012 and set out the benefits that will be afforded to consumers as a result of the establishment of the central credit register. The key elements of the Bill are the establishment of a central credit register, to be maintained and operated by the Central Bank of Ireland, and the creation of a statutory credit reporting system under which lenders will be obliged to report information regarding loan applications and loan agreements that reach a threshold in excess of €500. The Bill provides for the categories of personal and credit information to be held on the register and the purposes for which it can be used. Detail is provided regarding when that information may be accessed and by whom. The

Bill requires lenders to check the register when considering giving approval to credit applications of over €2,000. The circumstances in which information on the register can be amended are provided. The Bill prohibits misuse of the information held on the register.

The creation of a central credit register is in the best interests of the consumer and the financial services industry. The register supports the financial services industry by providing greater understanding of a consumer's total indebtedness. This will help lenders to make informed lending decisions which are based on accurate and up-to-date information. The consumer benefits by being able to keep track of his or her creditworthiness by reviewing his or her record on the register. Consumers will be entitled to one free copy of their own record every 12 months. By allowing for this transparent process, consumers will be able to see their credit situations clearly and identify any errors or inaccuracies on the register. A mechanism has been provided for in the Bill to allow a consumer to apply for inaccurate information to be removed, amended or supplemented. This will assist in maintaining a high quality of data on the register and providing a true representation of the consumer's credit situation. The drafting process was influenced by the advice of the Data Protection Commissioner to ensure the rights of the consumer are always protected. The Bill enhances consumer protection by limiting access to the information held on the register to specified circumstances and reasons.

Before I explain the provisions of the Bill in further detail, it is important to point out that the Government intends to seek a number of amendments on Committee Stage. Some of these amendments will be explained as I outline the provisions of the Bill section by section. Further amendments are being developed by my officials. The Office of the Attorney General will advise on completion of the deliberations. Part 1 of the Bill is the preliminary and general part. Section 1 provides for the Short Title and the commencement provisions. Section 2 is the standard interpretation provision, defining a number of terms used in the Bill, such as "credit agreement", "credit application" and "credit information subject". Section 2 also sets out the circumstances in which the Bill will apply and brings within the scope of the Act those parties that have acquired the rights of a credit information provider. Section 3 provides that any regulation or order made under the Act may contain incidental, supplementary or consequential provisions. Any such regulations or order made other than under section 1(2) must be laid before each House of the Oireachtas and either House may annul that regulation or order within 21 days. Section 4 is the standard section for expenses incurred in the administration of the Act. Section 5 provides that the Central Bank of Ireland will establish, maintain and operate a database of information, to be called the central credit registry, which will contain both personal and credit information. Section 6 defines the personal information relating to credit information subjects which may be held on the register. The type of personal information which can be held is determined by whether that subject is an individual, an individual carrying on a business or not an individual. Personal information includes names, addresses, place and date of birth, telephone number, PPS number - subject to a commencement order - employment status and value-added tax registration number. Power is given to the Central Bank to make regulations to specify additional personal information which may be held on the register. To ensure the addition of personal information is appropriate and beneficial, the Central Bank must consult with the Data Protection Commissioner and is also required to obtain the consent of the Minister for Finance before specifying any additional information.

In addition to the personal information referred to in section 6, the register may hold credit information relating to a credit information subject. Section 7 provides that the type of information held will depend on whether the information is obtained in regard to a credit application or

a credit agreement. Credit information includes the nature and term of the credit applied for, the nature of any guarantee, indemnity or security, and the rate of interest payable. Section 7 also provides details as to what constitutes “credit information” which will be held in regard to a credit agreement made by a credit information subject or a credit agreement of which the credit information subject is a guarantor.

The Central Bank also has the power under this section to make regulations specifying additional credit information which may be held on the register. As in section 6, the Central Bank must consult with the Data Protection Commissioner and receive the consent of the Minister before making such regulations. This procedure will safeguard the interests of the consumer.

Section 8 provides time limits for the holding of personal and credit information on the register. Where the information identifies a subject and relates to a credit application, it may be held for six months, beginning with the day on which it is entered on the register. Where the information identifies the subject and relates to a credit agreement, it may be held for five years from the date it is entered on the register in respect of debt arrangements.

The current situation in regard to personal information in regard to closed credit agreements is incorrect. What had been intended was for such personal information in regard to closed credit agreements to be retained for five years after the agreement is closed. We will be amending this to reflect what was originally desired. In regard to anonymised information, this section permits the information to be held on the register indefinitely.

Section 9 illustrates the application procedure to make an amendment to the information held on the register. Applications from credit information subjects or credit information providers to amend information held on the register must be made on the basis that the information is inaccurate, not up to date or incomplete. Enhancements to this section have been suggested by the Data Protection Commissioner and the Central Bank to ensure that appropriate procedures are available for subjects to seek the amendment of inaccurate or incomplete information. These are currently under consideration and my officials will examine all of these proposals.

Where the Central Bank makes the decision to amend the credit information held on the register, a number of parties must be advised of this decision, as provided for in section 10. Notice of the decision, along with a copy of the amended information, must be given to the following: the borrower who is the subject of the information or the credit information provider who requested the information; any person who is party to an ongoing credit agreement; and any credit information provider who has made an application to access information on the credit information subject. Where the Central Bank decides not to amend the register, it must, if required to do so by the credit information subject, enter on the register a record of the amendment sought.

Section 11 applies the provisions of the Data Protection Acts 1988 and 2003 to credit data held on the register for individuals and bodies corporate with an annual turnover of not more than €3 million. The Data Protection Commissioner will, therefore, be able to deal with complaints from micro-enterprises and SMEs in respect of their data held on the credit register. Section 11 provides that the Central Bank may make regulations, with the consent of the Minister, specifying how and by reference to what year annual turnover is to be calculated.

This section will be subject to a Committee Stage amendment. We have learned from consultation with the Data Protection Commissioner that applying the entirety of the 1988 and 2003 Acts to the Credit Reporting Bill is not necessary. As a result, it is proposed to amend this

section to leave only the relevant provisions being applied to the credit data.

Section 12 obliges credit information providers to supply certain information to the Central Bank in regard to qualifying credit applications, qualifying credit agreements, credit information subjects and credit information subjects who are guarantors in connection with a credit agreement, which the Central Bank will then hold on the register. This section also provides that the Central Bank may, with the consent of the Minister, make regulations specifying the information and the form in which it is to be provided. Those regulations may differentiate between classes of applications, agreements, providers and subjects. A qualifying application or agreement is one under which the amount of credit exceeds an amount specified by order of the Minister following consultation with the Central Bank and having regard to the consumer price index, or in the absence of such an order, €500.

Section 13 obliges a credit information subject who makes a credit application to give notice to the credit information provider of any aggregate foreign debt in excess of €5,000 outstanding. This refers to credit agreements not covered under section 2(2). The aim of this section is to give credit information providers a better picture of the subject's debt commitments. The Central Bank may make regulations specifying the information and the form in which the information is to be provided. A credit information provider is then obliged to provide the information to the Central Bank, which will include the information on the register. The amount of aggregate outstanding debt provided for in this section may be amended by order of the Minister following consultation with the Central Bank and having regard to the consumer price index.

Section 14 permits a credit information subject to add to the register a short explanation, of no more than 200 words, about the subject's credit information held on the register. The Central Bank is obliged to include this information on the register.

An important aim of setting up the register is to allow for the level of indebtedness of a credit information subject to be accessible and evident. In support of this aim, section 15 obliges a credit information provider to access information on the register which relates to a credit information subject when that subject makes a relevant credit application. A relevant credit application means a credit application where the amount of credit sought exceeds an amount specified by order of the Minister following consultation with the Central Bank and having regard to the consumer price index. In the absence of such an order, the specified amount is €2,000.

The register does not have to be accessed where the credit information provider has previously accessed information relating to the subject in question within seven days before the credit application is made. Information accessed under this section may only be used for purposes specified in section 17 of this Act.

Under section 16, a credit information provider may apply to access information on the register where a person has made a credit application for an amount less than €2,000 or is proposing to give a guarantee or indemnity in connection with a credit agreement. A credit information provider may also access information on the register where a credit information subject who is party to a credit agreement has requested to change the nature or terms of the agreement or failed to comply with their obligations under a credit agreement, guarantee or indemnity and that failure has not been corrected.

Information accessed in accordance with this section may only be used for purposes specified in section 17 of this Act. Section 16 allows a credit information subject or any person who

has the consent of the credit information subject to access information relating to that subject. This section also permits the Central Bank to use the information held on the register for the performance of its functions. The CSO is permitted access under section 16 to information on the register in connection with the performance of its functions.

Section 17 details the specific reasons for which information on the register can be accessed by credit information providers. The reasons include verifying information, evaluating the risk of extending credit, evaluating the risk of changing the nature or term of a credit agreement, monitoring default under a credit agreement or evaluating whether to make an arrangement in respect of the debts of a credit information subject.

Under section 18, the Central Bank may, having consulted the Data Protection Commissioner and with the consent of the Minister, make regulations relating to applications to access information, information to which the Central Bank is required to give access in response to such an application, and the manner in which such access is to be given. A credit information provider is required to keep a record of each application made to access information on the register for a period of five years. If required to do so by the Central Bank, a credit information provider is obliged to provide information on any occasion on which that provider has been given access to information on the register. The Central Bank is required to keep a record for five years of all occasions on which access to the register was granted. Section 18 allows for a credit information subject to request from the Central Bank a report detailing each occasion access has been given to information on that subject within the previous five years, the identity of the persons who applied for access and the dates on which these applications were made.

Under section 19, a credit information subject who reasonably believes he or she has or may have been impersonated by any person may require the Central Bank to enter a notice of suspected impersonation on the register at least within 48 hours. The subject may also require the Central Bank to remove such a notice and the Central Bank shall, in any event, remove the notice after a period of 90 days, unless requested to retain it by the subject for a further period of up to 90 days. Where a notice of suspected impersonation is entered on the register, the Central Bank is required to notify the credit information subject at least within 48 hours if an application is made to access information on that subject or if information is provided for the Central Bank in connection with a credit application made by that subject. Under this section, the Central Bank is obliged, where it gives a person access to information on a credit information subject at a time when a notice of suspected impersonation is entered on the register, to make that person aware of the notice of suspected impersonation.

An amendment is being proposed in respect of section 19 to increase the protection offered by the section to the consumer by extending the section's application to impersonation which may imminently take place. This has the result of allowing a consumer who has reason to suspect impersonation is about to take place to report the possible impersonation before the harm actually takes place. The current draft only permits the consumer to demonstrate that an action resulting from compromised identity has taken place. Thus, the amendment will increase the protection offered to the consumer in the case of identity theft or impersonation.

Under section 20, a credit information provider is required to take steps to verify the identity of a credit information subject who makes a credit application or credit agreement with that provider or proposes to give a guarantee or indemnity in connection with a credit agreement to which that provider is a party. The Central Bank has the power under this section to make regulations, following consultation with the Data Protection Commissioner and with the consent of

the Minister, specifying the steps credit information providers must take to verify a subject's identity.

Section 21 obliges a credit information provider to take reasonable steps to verify that the information it obtains from credit information subjects is accurate and complete. What is meant by "reasonable steps" will be set out by way of regulations.

Under section 22, a credit information provider shall notify a credit information subject where that provider reasonably believes the subject has been impersonated by any person. Section 23 imposes an obligation on credit information providers to ensure credit information subjects who make credit applications or enter credit agreements, guarantees or indemnities with that provider are made aware of their rights and duties under the Bill.

Section 24 stipulates that credit information providers are required at the application stage to notify applicants that this Bill requires information on qualifying credit applications and agreements to be supplied to the Central Bank for inclusion in the register. The Central Bank may by regulation, with the consent of the Minister, specify the form and content of the notices to be provided.

The register will not be set up to generate a profit. However, section 25 allows for a levy to be imposed on credit information providers to meet the expenses of the Central Bank in performing its functions under the Bill. The levy will be set with the consent of the Minister. Regulations made under the section may provide for the amount of the levy, the dates for payment of the levy, penalties for not paying on time, collection and recovery of the levy and refunds of the levy. They may also differentiate between classes of credit information providers. This will assist in ensuring smaller lenders are not disproportionately affected by a levy.

Section 26 instructs that the Central Bank may make regulations, with the consent of the Minister, to set out the fees to be paid for accessing information kept on the register or being provided with a record of occasions on which access has been given. The regulations made under this section may provide for the amounts of fees, their payment, collection and recovery and refunds of fees and make different provisions in respect of different cases. Exemptions from the payment of fees may also be provided for.

Section 27 outlines how the Central Bank may compel credit information providers to comply with their obligations under the Bill. If the Central Bank considers a credit information provider has failed or is failing to comply with imposed obligations, it can direct that credit information provider to take specific steps to comply with its obligations. If necessary, the Central Bank can apply to the High Court to make an order requiring the credit information provider to comply with the direction.

Section 28 outlines the provisions of a direction under section 27. A direction by the Central Bank under section 27 shall set out the terms of the direction, including any date specified as the date by which or period specified as the period within which any provision of the direction is to be complied with and any incidental, supplementary or consequential provision for securing that direction is fully complied with.

The Bill provides for a number of offences in section 29. It is an offence for a credit information provider to knowingly supply false or misleading information that is required to be supplied under the Bill. It is an offence for a credit information provider to knowingly use information accessed by the provisions of the Bill for a different purpose than those set out in

the Bill. The penalties for the offences provided for in section 29 are a class A fine and a term of imprisonment not exceeding six months following summary conviction or a fine or imprisonment for a term not exceeding five years or both following conviction on indictment.

Section 30 provides that the Central Bank may produce credit scores in respect of credit information subjects and also general reports, analyses and statistics which contain anonymised data only. This means data which cannot be used to identify credit information subjects. Section 31 requires certain staff of the Central Bank to attend before the relevant Oireachtas committee and provide the committee with information on the performance of its functions under the Bill, if so required.

Section 32 prohibits the unauthorised disclosure of confidential information received by the Central Bank in connection with the performance of its functions under the Bill. This prohibition is applicable to any person who is or has been the Governor, an officer or employee of the Central Bank, a consultant or auditor employed by the Central Bank or an agent of the Central Bank, a member of the commission, a head of function or the Registrar of Credit Unions. The disclosure of confidential information constitutes an offence. The penalties for the unauthorised disclosure of confidential information are a class A fine and-or a term of imprisonment that does not exceed 12 months following summary conviction or a fine not exceeding €30,000 and-or imprisonment for a term no longer than five years following conviction on indictment. It is not an offence under section 32 to disclose information in compliance with the Bill or other Acts to the Central Bank, the Minister by or on behalf of the Central Bank, the Data Protection Commissioner, the Garda, an officer of the Revenue Commissioners, the Director of Corporate Enforcement or the Competition Authority where the disclosure of information may reveal the commission of an indictable crime.

2 o'clock

Section 33 disapplies section 33AK of the Central Bank Act 1942 in relation to information provided for the Central Bank under the Bill. This ensures the confidentiality restrictions provided for under the section do not apply to data obtained under the Bill. However, it is incorrect to apply a blanket disapplication of section 33AK of the Central Bank Act 1942. I intend to seek a Committee Stage amendment in relation to this matter.

Section 34 provides that summary proceedings for offences under sections 29 and 32(4) may be brought and prosecuted by the Central Bank.

The Credit Reporting Bill aims to support the removal of the deficiencies in the financial services industry by establishing a statutory credit reporting system. It aims to support the promotion of responsible borrowing and lending. It will also aid the supervisory functions of the Central Bank and enhance consumer protection measures in respect of lending. The legislation will assist in providing a tool to produce an overall picture of the level of indebtedness in Ireland. I refer to my statement when the general scheme of the Bill was published:

The establishment of a mandatory credit reporting and credit checking system, regulated and operated by the Central Bank of Ireland, will ensure that lenders have access to the most accurate and up to date information regarding a borrower's total exposure. This provision will benefit both borrower and lender and will ensure that lenders are in a position to make informed lending decisions. This establishment of a Central Credit Register will also help to support policies to combat over-indebtedness.

I commend the Bill to the House and look forward to the contributions of Deputies.

Deputy Michael McGrath: I welcome the opportunity to speak on Second Stage of the Credit Reporting Bill 2012. I acknowledge that the Department has engaged in significant consultation with the key stakeholders in the finance industry, the Central Bank and the Data Protection Commissioner. I also acknowledge and thank the Oireachtas Library and Research Service for its excellent information on the Bill and the information supplied on all other Bills. The comprehensive documentary information provided is particularly helpful for Opposition spokespersons, as it puts the Bill in context and is particularly useful for the purposes of debate.

Last night the House debated a Fianna Fáil motion on mortgage arrears and debt restructuring. While the motion was defeated, we had a very useful exploration of the topic. The Bill is directly relevant to the issues of consumer indebtedness which were discussed in that debate. It is a welcome update on the current arrangements for the recording of consumer credit information. Fianna Fáil will support it on Second Stage. However, I have some concerns which I will outline and I hope the Minister will address. Fianna Fáil will bring forward amendments on Committee Stage to deal with them.

Ireland is about to embark on a major loan restructuring programme, involving tens of thousands of families. If this is to be done in a fair and transparent way, we need accurate information on the credit position of borrowers. The key issue is to have a central repository to hold information on the total indebtedness of individuals. This is essential when making proper lending decisions. It is in the interests of the consumer and also the lender that the complete picture is available in order that decisions can be made. A comprehensive and accessible credit register is necessary in order to facilitate the making of decisions. When does the Minister hopes this central repository, the credit register, will be in place? It is a positive development, which is to be welcomed. However, I hope its establishment will be regarded as a high priority. Having spoken to some industry sources in recent days, I have concerns that there is a lack of urgency. I have heard suggestions that it may not be in place before 2016, which I hope is not the case. I, therefore, ask the Minister to address this point.

I will deal with a number of aspects of the Bill. Section 15 sets the amount for a relevant credit application where the lender will be obliged to check the register for any amount above €2,000. By setting the exclusion amount so high at €2,000 per application, moneylenders, in particular, will be excluded in many cases, in that most of their lending amounts are normally under the €2,000 threshold. The provision also excludes the likes of UK pay day lenders who charge an APR of up to 4,000%. These lenders are not in the Irish market as yet, but they are rumoured to be testing the market here. Many would see the constraints the personal insolvency regime might impose on people's capacity to access credit as relevant in this regard. Either way, if this provision is intended as a protection, the small borrower should be protected against over-indebtedness. Moneylending at an APR of 188% is the scourge of housing estates, particularly in deprived urban areas. We all encounter this problem in our constituency work, but these borrowers are effectively excluded from this provision. A simple amendment to bring the limit to €500 would be reasonable. I intend to bring forward an amendment in this regard on Committee Stage.

I realise that section 16 gives a lender considering a loan application for less than €2,000 the right but not an obligation to seek information from the register. This provision does not go far enough. In essence, it is asking lenders to act on what might be described as best practice.

The head of consumer protection in the Central Bank, Mr. Bernard Sheridan, recently expressed his concern that multiple loans were being issued to consumers by moneylenders and indicated that action was needed in this regard. The more comprehensive the credit register is, the easier it will be to prevent this. Moneylenders should be required to ensure they have trained staff to properly assess information in order, for example, to identify signs of possible over-indebtedness such as multiple short-term loans with different lenders, which is often the case.

I refer to the use of information held on the register. A credit register is a very valuable tool in the hands of those who are allowed access to it. There needs to be clear control of who can use the data and in what circumstances. For example, we all agree that it is acceptable for a financial institution to check the register when it receives a new loan application. However, it is less certain whether it should be permitted to check on existing customers who are meeting their repayment obligations. I ask the Minister to clarify if this will be the case. We all agree that the register should not be available for general marketing purposes. Some of us may have seen the marketing carried out in the United Kingdom or the United States where individuals are invited to apply for a pre-approved loan of £10,000 or \$10,000. That practice was prevalent in Ireland up to relatively recently. All the customer has to do is lodge a cheque or complete the credit card application in order to draw down the loan. We do not want that form of promotion taking hold in the Irish market. It is essential, therefore, that the guidelines covering the use of the code are robust to prevent this practice.

On a separate point, the National Consumer Agency makes an interesting suggestion that spouses, guarantors and executors also be allowed to access information held on the register as they have an obvious financial interest in the credit position of the person concerned. It is a suggestion worthy of consideration, assuming that such requests can be handled in an appropriate way. While the collection of information provided for under the legislation is very welcome, it must be ensured that it is verifiable and accurate. In so far as possible, there should be an obligation on lenders to validate and crosscheck information, where practicable, for example, in comparing recent bank statements and pay slips to verify income and employment data. In addition, I have a concern about procedures being put in place to identify and prevent possible fraud, particularly where repayments are to be made using a third party debit card.

The Data Protection Commissioner is not in favour of an individual's PPS number being used on loan applications. I understand his concern, as this is not the purpose for which the PPS number system is in place. We must consider building a unique identifier system such that the data on the credit register can be considered entirely robust. The ESB has built its own complex coding system, while Bord Gáis Energy and the mobile phone companies have done similar work.

It is imperative that we get the balance right between protecting the privacy of the citizen and preventing unnecessary data retention, while ensuring the opportunity for identify fraud is minimised and, if possible, eliminated. It is welcome that consultation has taken place with the Data Protection Commissioner. All Deputies are aware that they are subject to rules about retaining the personal data of constituents on the constituents' database which has been provided for us. We need the consent of constituents to retain their data which, in any case, cannot be retained for an indefinite period and beyond the purpose for which it was originally provided.

Once the credit register is in place, it will be essential to introduce a widespread programme of consumer education to ensure members of the public understand their rights in this area. In

the United States people are very conscious of their credit standing and will regularly check their current status. I doubt that many people go to the trouble of checking their status on the Irish Credit Bureau register. This is a pity, as people need to understand how banks go about making loan decisions and the type of information that can go in their favour or against it. In schools there is a very useful CPSE programme to educate students in all matters relating to civic society. I would like to see some time devoted in the curriculum to basic financial planning and the provision of skills students will need throughout their adult lives. Financial skills would be a great tool to have in later life as they undertake making financial decisions, whether it is buying a house, taking out a pension or making an investment decision. It should be possible in a simplified manner to work into the curriculum a knowledge base for students that would stand them in good stead in later years.

Where customers check the register and find that the information held on them is inaccurate, the procedure for correcting the record must be as straightforward as possible. Similarly, if a customer misses a payment through no fault of his or her own, it must be correctly recorded on his or her file. Customers should be reassured that they will not suffer any adverse impact. I am thinking of the recent example of customers of the former Irish Nationwide Building Society who found that their mortgage payments had not gone through owing to a change of sort code following the liquidation of the IBRC. An individual could find that there is a black mark against his or her credit history in circumstances where he or she was not at fault. As a result, a person's credit standing would be diminished. It should be possible to put a note on a customer's file to explain missed payments where there are clear, extenuating circumstances. I have seen cases in my constituency in which people had been made redundant and had to fight to receive the redundancy payment to which they were entitled. This led to many getting into short-term difficulty. It would be very unfair if a missed payment on a loan or credit card which occurred through no fault of the customer were held against him or her on the credit register.

I note the statement of the National Consumer Agency:

The Bill highlights the necessity to acknowledge debtors who actively co-operate with their lender if they find themselves in financial difficulty. The draft Bill proposes that co-operation should be 'rewarded' with a reduced retention period. However, without a definition of 'co-operation' issuers of credit may have no obligation to pass on the benefits of this provision to all relevant consumers.

It is an important point which should be taken on board. Speaking of the National Consumer Agency, I congratulate its new head, Ms Karen O'Leary, on her recent appointment. I wish her the very best in her important role. The importance of consumer rights and advocacy on behalf of consumers is not something to which we tend to give enough acknowledgement. Given the range of challenges and difficulties consumers face, from indebtedness to rising bills, there is a case for having a full Cabinet Minister to look after this area. It is something to which consideration should be given.

It is arguable that ten years ago, at the height of the boom, there were too many lenders in the Irish market. Banks were falling over each other to offer new products on ever more attractive terms. We saw the introduction of the 100% home loan. In some cases, people received loans of over 100% of the price of a property, as they accessed additional funds by borrowing against their credit card limit and from credit unions. Cut-throat competition among the financial institutions proved to be disastrous for the economy and society and we are still picking up the pieces. However, we now seem to have moved in the opposite direction. Competition

is limited in respect of mortgages and non-existent in some categories of the market. In years gone by, if a person wished to transfer a mortgage from one institution to another, normal competitive conditions allowed them to do so, but that is no longer the case. This week, for example, small retailers have complained about an impending massive hike in transaction charges, including in depositing cash.

I have seen Ulster Bank referred to as the sleeping giant of the sector. It has the potential to play a much more significant role on the banking landscape in the years ahead. We need an injection of new blood in the banking sector which could come in various forms. We must look at a new State-supported bank to replicate the work done in the past by the ICC or attract an overseas bank, with a clean balance sheet and the capacity to lend to small and medium enterprises and personal customers. While Ireland may not be seen as an attractive market for new entrants, that will change in time. The economy will improve and there will be opportunities for new lenders to provide much needed competition. In either scenario, we need a usable dataset that would provide a clear picture of the financial position of potential borrowers. The credit register can do this and, if it is subject to the appropriate controls, benefit consumers by making available credit options that would not otherwise be available.

Overall, the legislation is welcome. We want to put the financial services sector on a sound footing. Accurate information, accessible in appropriate circumstances, is integral to achieving this. I have some concerns about the use of data and security and hope the Minister will be able to address them and that we can work together to make improvements to a welcome Bill.

Deputy Pearse Doherty: Cuirim fáilte roimh an reachtaíocht seo a cuireadh os ár gcomhair inniu. Táimid ag fanacht leis an Bhille seo anois ar feadh tamall maith agus tá an triúracht ag cur brú ar an Rialtas ag iarraidh seo a thabhairt isteach. Níl amhras ar bith ann ná ceann de na lochtanna móra a bhí ann le blianta fada ná nach raibh a leithéid de sheirbhís ar fáil. Bhí seirbhís phríobhaideach ann agus ní raibh mórán dualgas ar na bainc agus na hinstítúidí airgeadais difriúla a bhí mar pháirt den tseirbhís sin. Bhí daoine leagtha taobh amuigh, daoine in ann míúsáid a bhaint as ná fáil thart ar an chóras.

I welcome the Bill which represents a positive contribution to the restoration of confidence in the banking system and addresses some of the serious deficiencies in the absence of a centralised credit register. Matters were left to the private sector, which led to many deficiencies, as previous reports indicated. It is to be welcomed that these deficiencies are being addressed. There has been a significant delay in bringing forward the legislation and the troika has insisted on its implementation. When will the provisions become operational and people be able to access their information? What is the position on existing information that the banks hold through the Irish Credit Bureau? Will the data be transferred automatically or will there be two concurrent registers, one in the private and other in the public sector? I hope we can tease out some of these questions on Committee Stage. Nevertheless, I welcome the Bill.

We are living through a crisis which was caused, in part, by reckless lending. We have seen that the financial sector requires strict rules and monitoring at all times. Sinn Féin supports any measure that will lead to more a responsible lending culture. If the Bill achieves nothing more than removing from the banks the possibility of their relying on an excuse for reckless lending, it will be worth supporting. It will also be worth supporting if the new register helps banks to lend more confidently to the small and medium enterprise sector. When speaking of banks, we are conscious that the public has bailed them out. Through this Government and the previous Government, the public has pumped vast billions of euro into the banks to get them

up and running to deal with the legacy of the past. Still, the banks are not lending in sufficient volume to the small and medium-sized enterprises. From the debates on Fianna Fáil's Private Members' motion on mortgage distress this week and on Sinn Féin's Private Members' motion three weeks ago, we know the banks are not doing enough and are, in some cases, making the situation worse for those struggling with mortgages.

The register will be a mainstay in the coming years for the decision-making procedures of lenders, which is to be welcomed. I will refer later to the lending threshold that enables lenders to avoid taking the register on board. Borrowers must be aware the register exists. Much personal financial data will be stored here and it is important that citizens are aware it exists. They should also be aware of what the data is, what the implications are for their credit history, that their credit history is available to other lenders, local authorities, the likes of NAMA and hire purchase companies, and the type of information on the register.

We must also inform people that they have the ability to access the information. Information held by the banks on customers' credit histories was proven to be inaccurate. Some banks deemed customers to be in default or in arrears when that was not the case. We hear about banks making mistakes, such as overcharging on interest rates or making mistakes on credit histories. Any system operated by humans will always make mistakes, so it is important that the public has full knowledge and can access information. A proper information campaign is necessary. It is not just a case of educating borrowers to know that financial institutions hold this information but also of allowing people to access the information so that they can ensure the information is correct.

The National Consumer Agency stated that the Irish Credit Bureau is not well known among consumers. Its successor must be different in this regard. I welcome the fact that a statement will be issued to people every year. That will go part of the way, but we must go further. How will the level of knowledge about the register be raised? This must be taken on board and, alongside the legislation, a campaign is necessary.

We have debated the mortgage arrears resolution process, MARP, and we are all aware of the figures. One quarter of domestic households with mortgages are in distress and there have been increases over the past number of quarters. It is a very depressing story for those in mortgage arrears of more than 90 days. Hopefully we will see a reduction and a reversal of the trend in the near future. We have been clear that in some cases there must be write-downs. I welcome the statement by David Duffy, CEO of AIB, on the need for write-downs. This is the first time the CEO of a bank has spoken about the write-down of debt. I have been very critical of bankers in the past but Mr. Duffy has been bold enough to take steps other banks have not taken in terms of remuneration. Although some may argue this has not gone far enough, he is breaking new ground by talking publicly about the need for debt write-down. We hope that will be followed up on a case-by-case basis where merited and where it is clear the loan is unsustainable.

The question about the legislation is how the register will affect those in arrears or those who will be slipping into arrears in the future. What safeguards exist to ensure consideration is given to those whose circumstances have changed because of the current economic collapse or a future economic collapse? What safeguards exist for those who have fallen ill and those who have disruptions in their lives? Section 14 allows for a 200-word statement to be placed on the record. However, it is important that this is not just left to the individual. People do not think like that. When dealing with the bank when a loan has fallen into arrears, people may tell the bank manager that they are ill and the bank manager may give them breathing space. However,

the information may not be relayed to the register, and when the customer applies for another loan, a three-month gap will be shown. It should not be left up to the individual. If it is, it is important that we stress the option of the 200-word statement on the customer's circumstances. There are questions about where people stand at present and how to ensure the Bill does not blacken them further in respect of availing of new credit just because of a blip in their history.

There is potential for abuse of the register. It is important that the credit register is nothing more than a credit register. There are always fears, although sometimes ill-founded, that it will morph into something else. This may mean legislation should be tightened so that the register is used only for assessing consumers' suitability for credit and not for other services such as insurance. If the legislation is not tight in this regard, it is conceivable that some people will find themselves blacklisted from other services. There are also concerns in respect of utility services. It all depends on how it will be structured. Hire purchase is included this year, but people will have concerns as financial companies start to provide services and as we start to privatise water services. I ask the Minister to ensure safeguards are included so that insurance is not encompassed in this. I hope the Minister is open to amendments to ensure the legislation is tighter and more robust.

There is also a question about how the register will be configured to stop creditors from using the information to chase businesses or target people in marketing exercises. The Minister said the register would be subject to data protection provisions but it is important that this measure is robust and watertight so there is no abuse of information. Reference was made to what other jurisdictions do with the information held in these registers. This should be examined on Committee Stage.

I welcome the fact that consumers will receive one free copy of their record every year. Perhaps the Minister will explain whether it is automatic or upon request. If it is automatic, it will heighten awareness of the facility, but if it is on request we will also need an information and awareness campaign. Very few people know about the Irish Credit Bureau. One of the banks made mistakes about people's credit histories and then people became aware of the Irish Credit Bureau. People can check credit histories at a cost of €6. There will be a cost for a second copy of the record, which people will look for if they are concerned about inaccurate information. It is important that costs be kept to a minimum. A cost will be incurred by sending out copies of the records, but consumers should not be put off by the financial cost of applying for records.

This will be hosted on an ICT system and will be an electronic system. Banks will not post pieces of paper for every credit application above €500.

I presume this will be done through digital or electronic copies. Are there plans to allow access to this through a secure network? For example, if I want to log on to my bank account in Bank of Ireland, I type my PIN code into my iPhone. I got my PIN through a secure system in the past and I am able to access the details of my car loan and of my mortgage and the balance in my bank account, if there is one. Is it planned that consumers would be able to tap into a system such as that using an individual PPS number, as mentioned in the legislation, and an individual tracker? A person could apply for a unique code and sit at a computer to obtain information without a cost to the service, because he or she would not be posting things out and tying staff up trying to pull down records and so on. There would be a unique record there which they could access through IT and move into the modern age.

It is also interesting that the new register will come under the control of the Central Bank of

Ireland. There are questions in regard to the resources of the Central Bank of Ireland to maintain and manage this register. I understand the legislation contains an option, or the Central Bank of Ireland has within its powers at this point in time the option, to outsource the management of the register. The question that really needs to be answered at this stage is whether that is the intention of this legislation - that is, that the Central Bank of Ireland would outsource this register. That raises concerns in regard to data protection, although it would be governed by the same data protection laws. There is that fear, whether right or wrong, when such information goes to a private company for profit, that it is not as secure. Are we taking something away from the private sector and then selling it back to it, although the private sector will charge us to maintain it? Is this just shifting it about or will it definitely be located, managed and fixed within the Central Bank of Ireland and not outsourced?

It is appropriate to raise at this stage the concerns I have about the policy of the Central Bank of Ireland in regard to the outsourcing of different systems. Last week the Minister confirmed in a parliamentary reply that the IT system of the Central Bank of Ireland will be outsourced. I am not an IT specialist but I am concerned about this. The cost of the tendering process is estimated at €150,000, including the cost of legal advice and assistance with the complex contract. What this means is that all internal traffic will now go through the base of a private company, Hewlett Packard. Our communications with the ECB will be managed by Hewlett Packard and our e-mail systems will move to and be administrated by Hewlett Packard staff. All e-mail traffic will go through the Hewlett Packard network.

The Society for Worldwide Interbank Financial Telecommunication, SWIFT, will be moved to the Hewlett Packard data centre. This is the financial payment system for moving large sums of money around. SAP, the system used for internal financial control, will also move to the Hewlett Packard data centre and will be administered by Hewlett Packard staff. Application servers that run the various applications used by the Central Bank of Ireland to carry out its various functions will all be moved to the Hewlett Packard data centre and be administrated by Hewlett Packard staff. Databases are at the heart of the Central Bank of Ireland and they contain all the information the bank applications use. These will also move to the Hewlett Packard data centre and be administered by Hewlett Packard staff. Network services, domain controllers, DNS servers, DHCP servers, monitoring servers, etc., will all move the Hewlett Packard data centre and will be administered by Hewlett Packard staff, who are private sector staff.

While most of these systems will ported to Hewlett Packard servers, including firewalls, we are not simply talking about Hewlett Packard staff looking after the hardware. Hewlett Packard staff will provide full level 2 and 3 support on the systems. They will be the domain controllers and the database administrators, and will have full control of the system. All of this is currently located in the Central Bank of Ireland. It is secure and it is not outsourced to any private company, so staff fulfilling these roles will be moved to different jobs where access is required. Central Bank of Ireland staff will have user access and must request any changes from Hewlett Packard staff who will then, through their change control process, carry out the changes.

The reason I raise this is that this type of transfer to the private sector does not happen in any other European country, but we are doing it on a massive scale. We saw the debacle with Ulster Bank, which outsourced some of its IT system and could not get the payments of approximately one million customers on the island of Ireland up to date in an appropriate time. We are giving away very valuable information, or the hardware behind it, and all the elements I mentioned, and outsourcing them. That causes concern to people. It might cost-effective today but information held by the Central Bank of Ireland is deeply sensitive and should be controlled

within the bank.

That takes me to my next point, which is that this register should not be outsourced to a third party for profit. It will contain very sensitive information and it should be held and managed in-house. Whatever resources are required should be assigned to the Central Bank of Ireland to deal with that.

The issues I raise relate to a number of headings but, again, I very much support this Bill. I refer to the thresholds mentioned. We have two basic thresholds of €500 and €2,000. An application for credit of €500 or less does not have to be reported to the register. For anybody applying for €2,000 or more, the bank must go to the register to see the credit history. The question will always be where one draws the line. One does not want to make it too bureaucratic for banks but we need to ensure people do not evade the system.

The real issue is in regard to moneylenders, an issue about which I feel very strongly. I brought legislation before the House to curb the interest rate that moneylenders can apply to individuals. The moneylending system has grown dramatically in recent years. We know they are making house-to-house calls and rolling over loans. This is happening in every county in this State and it needs to be dealt with, although it involves a small amount of money.

Deputy Michael McGrath spoke about reducing the €2,000 threshold to €500, but I do not think that will deal with this issue, because moneylenders generally lend €500 or less. If one goes on to any of their websites, one will see the type of money they are lending is €250 or €500. If moneylenders are lending on average below €500, the moneylender is not required to report it to this system because it is below the €500 threshold. There is a genuine issue there. To my knowledge, people do not usually apply for a €2,000 loan from moneylenders, so the moneylender would not have to go to the register to check it out.

If somebody is heavily indebted with bank debts, credit union debts and hire purchase company debts, his or her details will be on this register, which will show that he or she is heavily indebted. Moneylenders can call to his or her door and offer a loan of between €250 and €500, which is what is on their websites, but do not have an obligation under this legislation to report it to the register, which is a problem. I am not saying all moneylenders are wrong, because there is definitely a role for them, but in a regulated way and definitely not in a way that allows them to charge 188% APR, go door to door and pretend they do not know that people are up to their eyes in debt because they do not have to check their credit history. That must be dealt with. I do not know if we could include another section to deal with those who issue smaller loans.

Moneylenders do not give out the larger loans. I ask that we consider this on Committee Stage.

I support the Bill and commend the Minister on introducing it. I hope to make amendments on Committee Stage to improve its efficiency. The designated purpose of the Bill is one that Sinn Féin supports wholeheartedly. I hope there will be a constructive debate on Committee Stage that will deal with some of the concerns over data protection, outsourcing, moneylenders and the reporting of disruptions to one's life. While a person can have a note applied to the register, will it actually be done? Is there a greater onus on the banks to include the notice first and foremost while still giving the consumer an opportunity? I hope to tease out some of these matters further on Committee Stage.

Deputy Finian McGrath: I am sharing time with Deputy Mattie McGrath from Tipperary.

28 March 2013

I thank the Ceann Comhairle for the opportunity to speak on this Bill. I welcome the debate as it is very relevant to what has happened, is happening and will happen in this country and to how we will get out of this economic mess. The Bill aims to promote more responsible borrowing and lending. The key word is “responsible” as many of us were not reckless during the boom and are fed up to the teeth taking the hit for those people who were simply greedy or grossly irresponsible. The senior bankers, developers and regulators who allowed the problem to occur are an absolute disgrace. This should be always said because many innocent people are caught in the crossfire, and they should never have to pay the cost. Most people are very angry about this and most people are suffering financially every day.

Today we see results coming in for the Meath East by-election. They represent a wake-up call in that 62% of people did not bother to vote. There is a considerable disconnect between many people and the political system. I feel very strongly that these people should have voted. I do not blame the weather or time constraints. Everybody should vote and copping out should never be an option. However, we should consider compulsory voting in the future. Too many have died for the right to vote. When we are dealing with credit, mortgages and major hits to the pockets of people, not voting should never be an option. There is plenty of choice in the current political climate. Economics and politics are linked and if people do not see this when voting, they should stop moaning if they keep getting the policies that they dislike or with which they disagree. That is the bottom line. It appears that Ms Helen McEntee will win the seat in the by-election. I congratulate her and the Minister on this victory. I sympathise with the McEntee family on the difficult time it has experienced.

It is important that we focus on the legislation. I support the Bill because it is important. As I stated, it is about responsible borrowing and lending. The Bill establishes a statutory credit reporting system. It creates a central credit register, to be maintained and operated by the Central Bank. Information on credit applications and agreements, and parties thereto, will be held on the register. All lenders will be required to give the Central Bank information on credit applications and agreements. Incomplete or inaccurate information can be amended, and the information on the register will give an overall picture of indebtedness and lending in the State.

When talking about lending and responsible borrowing, it is important that we talk about the debt issue. I am from the old school and firmly believe that if people can pay back money owed, they should pay it back. I do not believe in the chancers and conmen who are using a financial and banking crisis, in addition to a mortgage crisis, to cop out. Doing so is grossly irresponsible. There are people ducking and diving when it comes to paying back debts. People should do their best to pay what they owe, regardless of what has happened. The reality on the ground is that there are 94,000 people with major mortgage problems. Most of the people who come to my office state they want to pay something back and that they want to make an effort to do so. These people should be contrasted with some of those people who destroyed the country, and their attitude should be contrasted with the greed that was evident. Most people want to make an effort. With the personal insolvency legislation coming down the track, I urge everybody to support strongly the 95% or 96% of people who want to make an effort but who just need flexibility and support to deal with their debts. We must ensure they receive a proper hearing in regard to holding on to the family home.

I am focusing on the 94,000 people whose repayments are in arrears for more than 90 days because they need our help. Many of them took a hit because they lost their jobs or had their salaries reduced, and now they find themselves in an economic crisis. Of course, there are big guns who are ducking and diving and who believe they will use the crisis as an opportunity not

to pay any money back at all. The Minister should ensure that he differentiates between these two sets of people.

It is not all bad news. I know today that there was a return to growth in February in respect of mortgage approvals. The latest mortgage approvals report, published today, shows that 1,093 mortgages, to the value of €169 million, were approved by lenders in Ireland during February. This is up 30% on the equivalent figure for the month of January, which is good news. While the overall figures show a slight fall of 2.1% in mortgage approvals annually, approvals in the key category of house purchases, which accounted for the majority, or 90%, of all approvals, grew by 1.4% year on year. The number of approvals for remortgaging or top-up purposes has continued to decline annually. The value of house mortgages approved during February stood at €159 million. The lion's share pertains to the €169 million approved in total. The average mortgage for a house purchase, €160,695, was down 2.8% on the figure for the same time last year. These figures became available during the day. It is important that we focus on the 94,000 people who have experienced mortgage arrears for more than 90 days. Some 28,000 buy-to-let mortgages are in arrears for the same period.

We must accept the reality that a huge burden has been placed on many families who are struggling with their mortgages, particularly on foot of the cuts to the child benefit. We have heard the row on child care in the past 24 hours. There is a considerable crisis over child care costs payable by many young mothers and fathers. Many families are paying more than €1,000 per month for child care. We must not shaft them, nor must we cut child benefit. There have been PRSI increases and the home tax and other measures have been introduced. People are having a very difficult time. This is having an impact not only on the economy and family life but also on the mental health of many. We need to address the issues that are connected to the broader issue, particularly in regard to this legislation.

There is widespread concern about the threat of a significant increase in family home repossessions arising from the mortgage arrears resolution targets programme, the proposed changes to the code of conduct on mortgage arrears and the Government's plan to reverse the Dunne judgment. I urge the Government to examine sensible options. If somebody proposes a mortgage resolution office under the new insolvency service scheme, it should be considered. We should place greater emphasis on the implementation of long-term sustainable mortgage solutions, such as split mortgages, shared equity and permanent interest rate reductions. Perhaps the Ministers who regularly complain that the Opposition does not propose solutions to the problem will consider those options. The people of whom we are speaking are our friends, neighbours and citizens of this State who deserve to be supported.

Section 5 provides that the Central Bank of Ireland will establish, maintain and operate a database of information containing personal and credit information. This database will be known as the central credit register. Although not explicitly stated in the Bill, this register will be owned by the bank, the maintenance of which can be outsourced by the bank to a third party. However, the Central Bank already has the power as part of its current functions to outsource the operation and maintenance of the register.

This Bill is similar to that published in 2012, which was based on the recommendations of the inter-agency working group on credit history. It creates a statutory centralised register of credit applications and agreements, which information will enable the Central Bank to form an overall picture of borrowings-debt and the amount being loaned out by banks and other creditors. Importantly, the Bill aims to balance the need for credit and debt information with the

need to protect personal information. It is important that the person informational which can be held on the register is strictly defined and that timelines for the retention of different types of information are provided. It is not possible under this Bill to use borrowers' PPS numbers. The Minister will commence the section in this regard when the Central Bank can show that their use is necessary to ensure the effective operation of the register.

As I stated, the database will be owned by the Central Bank; there will be mandatory reporting of a comprehensive range of credit information by credit providers; credit providers will be required to meet specified reporting standards and to undertake mandatory credit checks of the register in respect of all credit applications above a threshold of €2,000. These are the nuts and bolts of the legislation. It would be wrong of any member of this House not we welcome this legislation which will act as a support to the financial services industry and ensure responsible lending and borrowing.

This Bill is about responsible lending and borrowing. It also addresses the deficiencies in the financial services sector through the establishment of a statutory credit reporting system. This is positive legislation. It is also a wake-up call to those directly responsible for the mis-handling of our finances, which people held positions of power in financial institutions and statutory bodies, including Ministers. This Bill is important legislation which it is hoped will, in conjunction with the personal insolvency legislation, when enacted, assist in our efforts to get out of the economic mess we are in. Nobody in this House wants to see people suffer or without a decent income. Equally, we do not want people to have excessive incomes, including people in the media, financial services sector and so on. It must be acknowledged that people are hurting and that we as Members of the Oireachtas have a moral duty to support them.

I welcome this legislation and look forward to debating it further on Committee Stage.

Deputy Mattie McGrath: I too welcome the opportunity to contribute to the debate on this Bill. The Minister, Deputy Noonan, and Acting Chairman, Deputy Jack Wall, are, like me, from rural constituencies. If ever there was a case of closing the stable door when the horse has bolted this is it. Not only has the horse bolted, it has been to Cheltenham, Aintree and other places in the world and has probably at this stage been slaughtered and is being sold worldwide as a burger. However, I do not blame the Minister for this. While I salute the work he has been doing since taking up office two years ago, this is farcical.

What has happened to our country is an outrage. As stated by a previous speaker the former Minister for Finance, other Ministers, their advisers, the Financial Regulation and the bankers all played while Rome burned, which is an outrage. It is an indictment on this House and our justice system that none of these people have been brought before the courts and charged with fraud or any other crime. I do not propose to be judge, jury and executioner. I would not like to be either. Every man and woman charged with a crime is entitled to their day in court. No person, regulator or otherwise, has been held to account for their reckless behaviour. The banks shovelled out money to everybody. A person seeking a loan to buy a house was almost forced to take additional finance to cover the cost of purchasing an SUV and a foreign holiday. People could get loans of any amount. It was all about greed because those giving the loans were receiving huge commissions. There was no regulation. Why do we pay regulators? Are we paying them to fall asleep at the wheel? These questions must be asked.

This Credit Reporting Bill 2012 is a waste of time. It is feeble effort by the Minister, Deputy Noonan, and his officials to close the gate several years after the horse bolted. As a man from

my county who died about 15 years would say, "All we have now in this country is fools and horses and most of the horses are nearly dead". It is proposed to microchip dogs. It is a pity given the reckless behaviour of our bankers and regulators that they had not been microchipped. What they did was just short of national sabotage. Their recklessness has wreaked havoc on people's lives. Like other members, I met representatives from the Ballyhea says No campaign outside Leinster House this morning, although I had to leave early as I was due to speak in the House on CAP reform. Ballyhea is not 100 miles from the Minister's home turf.

Neither this Government or its predecessor ever sought a write-down. The Labour Party, in terms of its promise if elected to burn the bondholders has been, following the result of the by-election today in Meath east, reduced to a mudguard. I mean no disrespect to the Acting Chairman, Deputy Wall, who is a decent man. Hell's fire was not going to be as hot as what they had planned but all they did was fall into line. Hence, the result of by-election in Meath east. I do not wish any ill to the Acting Chairman, Deputy Wall, who is a long-time member of what I recognise as the old Labour Party rather than of the new one, the so-called remnants of the stickies who knew how to do everything, including print money but did not know how to get a write-off. Fine Gael did not seek one either, which is shameful. What is the Government afraid of that it cannot stand up to its so-called masters-crucifiers? This is Holy Week. Every Irish man, woman and child has been crucified on the cross for the next 40 years by the so-called great deal achieved by the Government. One would think given all the clapping and laughing that it was manna from heaven. As I said then, the laugh will be on the other sides of their faces before the electorate is finished with them. The Labour Party felt a cold chill this morning following the final result of the Meath East by-election.

The people are frustrated by the fact that nobody in this House is taking responsibility for what they do or standing up to the bankers. The late Deputy Brian Lenihan and all of us who voted for the bank guarantee were lied to by the banks about the extent of the problem. Voting for that was the biggest mistake of my political life. I regret that. Fine Gael also supported it. The Labour Party promised it would have nothing to do with it but all we got when this Government was elected was a change of seating arrangements. People are outraged. I disagree with my colleague, Deputy Finian McGrath, that voting should be compulsory. People have lost all faith in democracy. There is no democracy. It is now a case of Heil Angela rather than Heil Hitler. Despite the efforts of those who fought here in Easter 1916, which is to be commemorated during the 1916 centenary celebrations, democracy has gone out the window. I understand the Government proposes to call the election after that.

3 o'clock

That is all in the Government's great plan - that is if the mudguard does not fall off or the screws do not come loose and disappear like the snow off the Dublin Mountains today. A bit of sunshine at this spring time and then it was gone. The Spring tides and the Gilmore tides might be well gone. The tide has turned. As the Minister said, after the liquidation of IBRC, the boat has left the shore. It has left the shore. I saw more reckless behaviour the night the Minister came into this House and introduced the legislation to wind up IBRC. I challenged him on the floor of the House that night and spoke to him afterwards. I blamed the Attorney General here. How could he give us such reckless advice on that Bill that a stay could be put on any court case against IBRC that had been initiated in the courts. The Minister said that could not happen, but it was in the Bill, and I challenged him in writing the following day. Thankfully, a High Court judge decided last week that was not the case, that there is a Constitution, and that the citizens, whether they be small or great, are entitled to protection from the Constitution. We could not

allow people with court cases before the courts to be wound off. How could the Minister continue to allow IBRC pursue people while the lay litigants could not pursue IBRC? Children in first class in national school with respect for the Constitution would know that is wrong. The Attorney General has cost us the court case, and there is the cost in terms of former Attorneys General and all their advice. We cannot tackle the people with the big pensions. We cannot tackle the fat cats in RTE. We cannot tackle any big problem, but we can screw the ordinary people, introduce emergency legislation any day of the week, and persecute the ordinary people of this country, but we cannot touch the fat cats, the former taoisigh, the former Ministers for Finance, the former Regulators, the former bankers or the former advisers. They are all on big pensions, and we cannot touch them. We are like a horse that is afraid of water and shies away from it, but we can ride a coach and four through the ordinary people of Ireland. We have done that for too long.

This Credit Reporting Bill is not worth the paper on which it is written because it is inept and feeble. I see the ECB and the IMF, our new masters, written all over it. This is an insult to the people we are supposed to represent, and the Minister should remove some elements from it.

Most people, whether they are small business people or home owners, want to pay the debts they incurred. All they want is time to do that, respect and support. Why can they not have their mortgages extended? I meet a blank wall when I deal with bankers. If one wants to meet a bank manager, one is told he or she has been transferred to some other department or area. I meet people who want to pay and will pay their debts. They are not the people who will not pay anything. I am talking about ordinary people who have commitments in terms of their families, homes and so on.

As I said, 94% of people have been in arrears for several months and are unable to pay their mortgages. They are not cavalier people. These people are in the minority, and we must be alert to them. They have hijacked this situation, they had no intention of paying back the money and they have moved off.

The Minister, Deputy Noonan, has left the Chamber but I want to raise an issue with the Minister of State that I raised on Leaders' Questions this morning, and I also raised it on the Order of Business, as did Deputy Joan Collins. We have talked about the gardaí and the way they are being persecuted. We know many of them are in sad circumstances. The Minister of State will know some of them in his county; if he does not he is not active on the ground. They are there in their dozens. In the case of a married couple in the Garda, in particular, they cannot meet their payments. We know that legislation prescribes that they cannot be in a state of indebtedness. When I and my colleague, Deputy Collins, asked the Tánaiste, Deputy Gilmore, about this, we got glib answers. Our questions were not answered. Will the Personal Insolvency Bill allow members of An Garda Síochána to be dealt sensitively? My understanding from previous legislation covering employment and enlistment in the force, is that it will not. Can we have plain honest speak? We had plenty of it when the Minister of State was in opposition but we have had not honest speak since. I want those questions answered in this debate, and they must be answered.

There Bill contains lovely language but we are arriving on the playing field after the game is over and has been played out. Five years later we have this Bill, the policy background to which takes account of the current credit reporting system, the problems that may arise and the reasons for the policy change. Somebody has woken up in the Department and said we must

have a policy change in regard to lending policy. We had it when we had bank managers, with whom I and my father before me dealt, who were sensible people. Some of them are still in place but they were sidelined by the whizz kids, the senior bankers - the greed people. When they did not want to lend recklessly they were sidelined and put to bed. I can name one of them from my own county who retired recently, Mr. James Ryan. He told me how hard he fought but he was told he was old fashioned. He did not have the buzz factor or the whizz look and it was considered that he did not know the position but he knew his customers. He knew their ability to pay and what they could pay.

Reference is made to the current system. There is no statutory obligation on financial institutions to report credit data and no central responsibility for credit data. There is no credit responsibility in the Central Bank for the behaviour of the marauding gangsters it is sending out who are wrecking havoc with people's family businesses and small businesses. The Minister of State might lift his head and listen to what I am saying. We have been told that the Minister intends to pass legislation to repossess people's home. The Central Bank - I have met the people there and discussed this matter - has a nice little code of conduct that it expects its constituent lenders to adhere to but the people there do not give a damn about it. I was in with the managing director of a bank recently, which I name, Friends Friend, and he told me his hire purchase agreement and lease agreement were far stronger than a court order. That is the respect he has for the law of the land. He was enabled, entitled and empowered to send out gangsters, fraudsters, a third force militia to break down people's houses and doors and seize their property and goods. At least it was confined to the sheriff under normal legislation but there is a banker's code of conduct, if you would not mind. This is a code of conduct that was renewed only a year ago because the previous code was not being adhered to. It was updated, shuffled and put in nicer language but, effectively, there is no code of conduct for the banks. The bottom line is the banks' credit balance and restoring the economy.

Each of the three so-called pillar banks were told to spend €3 billion in lending to small businesses. They failed to do so and were brought in and asked to do so again but again they failed. All they are interested in is restoring their credit balance to be fit for purpose again and to go out and make more profits.

We see on a weekly basis that lending institutions - there is no credit control in place in this respect or no data - are selling off their loan books. People all the over the country have telephoned me and said they want to do deals with the banks. They want to sort out their problems, cut a deal and pay 60% to 70% of their loans or whatever figure on which they can reach agreement. They are treated glibly but yet we can read a week later where a bank has now sold off its full loan book for 19% or 20%. It is amoral, disgusting and disgraceful. If we read further we find that a coterie of well-paid individuals within that bank have formed a new company. I think any law will state that if I take a loan with bank X, the loan should stay with that bank; the bank should not be allowed to sell it on to some other greedy vultures who want to make a fast buck again and want to take 90% or 100% off the people to whom they have lent the money, even though they have bought the loan book. Many of them have bought it and sold it to companies outside this country. We saw what happened with Bank of Scotland Ireland and the huge fraud that was perpetrated on this country, and as bad as that is, it is being perpetrated on the British taxpayers, and no one seems to give a damn. Are the bankers, as I call them the gangsters, rather than the politicians, running this country? Those are the people I see running it. The Minister has come in with this feeble effort.

An Leas-Cheann Comhairle: I would like the Deputy to be moderate in the use of his

language.

Deputy Mattie McGrath: I am being as moderate as I can in the circumstances about these despicable people. Why would they not do this when they can get away with it and they have got with it? None of them has been arraigned or brought before the courts. I blame this on the Minister for Finance, the Taoiseach, the regulators, high paid advisers and the ECB regulators who shovelled the money in here when our banks did not have it. That is why I have said all along that 50% of the money we are supposed to owe we do not owe because it was shoved in here recklessly. It should not have been shovelled in here. There was no accountability or monitoring. To make matters worse, I am reliably informed in recent times that all these speculators and senior bondholders had their investments insured. They are laughing at what we did here and the way they are crucifying us - I hate using that word in that context in Holy Week. The so-called senior bondholders were insured and their investments can be redeemed. They can have a double laugh. They are laughing all the way to some other bank. It is despicable and sickening. No wonder the people are angry. I do not know how they are so quiet, why they are not marching on these banks or taking some drastic action. I do not advocate that but how long can we take it? How long can a kettle be left boiling before all the water evaporates and one is down to the basic line of defence? People do not have the money. Those in front line services, the members of the Garda Síochána, the nurses and the people who look after our services, are being crucified. They cannot take any more. They would not mind if it was their own borrowing, but it was reckless lending and there was nobody in charge in spite of the warnings. A former Taoiseach had the audacity to tell people who spoke against it to go away and commit suicide. That was the most horrible suggestion to make to anybody in that situation. We know how many suicides there are now in every constituency as a result of this, yet he can swan around and draw his pension.

It beggars belief that such a travesty could be imposed on our people and future generations and nobody has called a halt. This Government promised so much but it has not even asked for a write-down. One never knows what answer one will get until one puts the question. Chur an ceist agus faigh tú an freagra. Is the Government afraid to ask the question? I do not know how we have become beholden to Europe and to some greater powers. I visited the IMF last week in Washington and handed in a letter of complaint about the way our banks are treating our people and how this Government and the last Government have allowed them to behave. I have not yet got a response but I hope to get one soon. To whom are we beholden? What greater power is there than that of our ordinary people?

An Leas-Cheann Comhairle: The Deputy will have to conclude.

Deputy Mattie McGrath: I will conclude, and I thank the Leas-Cheann Comhairle for his forbearance, but this Bill is only fit for the bin or the shredder because it is ten years too late. It is inadequate, inept, feeble and an insult to the people who are suffering and cannot pay their way. They want to pay but they need more time, leniency and support. They do not want their debts denied. They want some understanding so that they can deal with them. Why should all the big people get preferential treatment and the ordinary people be trampled on?

Deputy James Bannon: I would like to be the first on this side of the House to congratulate Helen McEntee on her fine achievement in Meath East yesterday. She belongs to a new generation of politicians. I had the pleasure of canvassing with her last weekend in Meath and she proved to be a top performer. We will all see evidence of that in the months and years ahead in this Chamber. I extend my good wishes to the entire McEntee family and to the people of

Meath, who made a very good choice in selecting Helen to represent them.

I welcome the opportunity to speak on this important Bill this afternoon and I thank the Minister for Finance, Deputy Noonan, and the officials in his Department for their hard work in an area that causes a great deal of discontent among the general public and businesses. Protecting the rights of our citizens under the Constitution has to be paramount. I cannot stress this strongly enough in today's world. We are all suffering because of the fraud, corruption and cover-up perpetrated by some former politicians, senior bankers and executives in Ireland. They were responsible for the theft from, and ruination of, many pillars of our State, including our banking system. They left our economy in complete meltdown until this coalition Government took over under the leadership of Deputy Kenny and the Tánaiste, Deputy Gilmore, ably assisted by the Minister for Finance, Deputy Noonan, and the Minister for Public Expenditure and Reform, Deputy Howlin. Their first task was to try to win back our good international reputation, which was in shreds and tatters after the previous administration had dragged us down. They had a huge task, going not only around Europe but around the world to restore Ireland's reputation. Any of us born here are proud Irish people and we were equally fed up with what went on during the Celtic tiger years.

This Bill establishes a statutory credit reporting system to promote more responsible borrowing and lending and creates a central credit register to be maintained and operated by the Central Bank. It grieves me that some of the personnel, particularly in the banking sector, who presided over our economic crisis because of the way they lent are still *in situ*. They wrecked our economy. It is important that we ensure that those who receive gold-plated incomes pay the most and that those at the bottom of the income ladder pay the least. This is the only way we can win back the confidence of the public in this economic crisis. The Government must deal with those who brought this country to its knees. That is well documented in the media and I do not need to mention the names of those people who are in America and elsewhere and whom the authorities in this State meet by appointment for questioning when ordinary people must go through the rigours of the law. I do not want to mention all their names. I could give a list the length of my arm but it is well documented and I do not want to make any blunder that would let them off the hook when they come before the courts. They wrecked our banks, destroyed our economy and cost us billions of euro, but not one has been put behind bars or punished. As an elderly woman said to me when I was out canvassing last week, there is not a single prosecution in sight. I would like the Minister of State, Deputy Cannon, and the Government to take the views of ordinary people on board because it is time that we listened to and connected with our citizens who are fed up. That is probably why there was such a low turnout at the polls in Meath. We are not connecting with people and we need to connect. It is very important that we do so.

These bankers cannot be let off the hook for milking our banks with one scam after another and breaking the law at the stroke of a pen, and indeed every turn of a pen. What about the golden circle that received €450 million and those who rigged the balance sheets of Anglo Irish Bank to make them look good? They appeared on TV shows and so on, were lauded by interviewers and got away with boasting of their activities and shameful carry-on. We need to get tough with those who destroyed our banking system and are responsible for Ireland's losing her hard-won independence to the EU-IMF-ECB troika.

While we have the Credit Reporting Bill before us this evening, I must ask a question: where is the legislation to bring rogue bankers to book by stamping out white-collar crime? Under the EU-IMF bailout the vulnerable, the disabled, the sick and carers are the target of cutbacks.

Every week at my clinics people talk about the dreadful disconnect between ordinary citizens and the State and the way those who wrecked our country are being let off the hook, receiving massive pension packages, bonuses and other entitlements. These should have ceased as a punishment for the way they wrecked our economy. This disconnect was very evident in Meath, where less than 40% of people turned up at the polls yesterday. That is a wake-up call and there is a lesson to be learned. It is important that we take people's views on board. Politicians are elected to implement the will of the people and it is important that we do that. The public is not at all happy with the length of time it has taken to bring serious charges against those who wrecked our banking system.

The Government recognises the vital role small businesses can play in fixing our economy and creating jobs. This legislation proposes to extend the role of the Data Protection Commissioner to deal with complaints from small enterprises with a turnover of less than €3 million in respect of their data held on the credit register. It is important we breathe new life into this area. The Government is strongly committed and determined to achieve a breakthrough for small businesses and proper recognition for the sector. Last year, we announced 16 financial support schemes for small businesses from starting a business to growing it, as well as recruiting and accessing credit.

As all Members know from their constituency clinics, for small and medium-sized enterprises, SMEs, to get business funding from the banks is like reaching for the stars. SMEs are the backbone of our economy. Up to 95% of all companies are SMEs with 90,000 of them employing 1 million people. At a personal level they represent a commitment by individuals connected with the country to invest in their communities, take risks and create employment. This will play an important role in getting the country up and running again.

This legislation extends to loans acquired by NAMA, the National Asset Management Agency, and loans issued by local authorities. The Minister for Finance must ensure NAMA balances the scales in favour of communities as opposed to developers. It should give local community groups priority in purchasing enterprise-sensitive sites and properties which would potentially enhance and enable economic renewal of such areas currently decimated by the actions of the banks and developers. There is not one rural community which would not benefit from a NAMA property transfer. The recession has brought back a huge sense of community across rural areas and I am sure the same is happening in our cities. NAMA cannot be a private club. Throughout history, we have seen the destructive powers of such clubs and it is important checks and balances are put in place to supervise the agency.

Another important provision of the Bill relates to access to data and the prevention of identity theft. This legislation will inspire confidence in businesses and the consumer in this regard. It is also important from the public's point of view that credit providers will be required to meet specified timelines and reporting standards. Often when credit reports are prepared, no deadlines are issued as to when its recommendations should be acted upon. I am glad this legislation includes timelines.

All in all, the Bill will act as a support to the financial services industry, as well as supporting responsible lending and borrowing which was absent in the Celtic tiger years and which has left us all in an economic mess. Much hard work has gone into the Bill by the Minister for Finance and his Department.

The public, however, is not happy with the length of time it has taken to bring forward legis-

lation to deal with those who wrecked our country. There are several provisions in the Bill with which I am concerned. While individuals will be entitled to a free copy for their own records every 12 months, fees may be charged for access to other information held on the credit register. Will the Minister give an indication of how much this fee might come to? The database will be owned by the Central Bank which will be responsible for operating the registry. It has had a poor record in the past. Hopefully, it will have learned from its mistakes. It is important it does a good job in this area. Will the Minister have control in overseeing the database to ensure it is properly maintained and so forth?

The Bill provides for mandatory reporting of a comprehensive range of credit information by credit providers. I welcome the Bill as it is in the best interest of the public. Similar legislation has been highly effective in other jurisdictions. However, we need action to be taken against those who wrecked our economy. Deputy Mattie McGrath claimed he resigned from Fianna Fáil because of the behaviour of former taoisigh and Ministers but I must remind him it was over a local issue. I hope, however, he is like the lost prophet who has seen the light at the end of the day. I notice every other day he has been advising the current Fianna Fáil leader from the benches. I hope he will play a more independent role in future and be on the side of the people who elected him.

Deputy Richard Boyd Barrett: On the face of it, one would say there is nothing wrong with this Bill. Its stated purpose is to promote more responsible lending, particularly in the context of the mortgage crisis the country faces and that this was a condition of the troika agreement. I have no doubt the Government and the troika will present this as proof that they are getting serious about regulating the banking and financial sector, as well as lending in general. As an aspiration, that is not a bad idea, but what the Government is doing amounts to altogether fake regulation and reform and it is irrelevant to the real issues that are facing us in terms of the mortgage crisis and the behaviour of the banking and financial institutions. In some ways it is an attempt, rather cynically, to give the Government, the troika and the EU authorities some credibility and cover for the real and substantial policies being pursued in respect of the banks. It is, to put it mildly, closing the door after the horse has bolted. In fact, it is worse because the Government and the troika know that the horse has bolted and that the real issue is what the banks are doing now. The issue is what the banks are doing in this country and in Europe and what the Government, the troika and the European authorities generally are going to do about what the banks are doing now. The issue is what the banks are doing to the European economy and this economy, and what they are doing to 180,000 distressed mortgage holders. These are the things people are concerned about.

If there were some joining of the dots between this regulatory legislation and a serious policy to do something about what the banks are doing now, then one could take this legislation seriously. However, everything else the Government is doing with regard to the banks and everything else the troika is doing with regard to the banks and the financial system in Europe is, in real terms and in terms of the real policies, moving in exactly the opposite direction and amounts to continuing the same policy of allowing the banks to run riot and do what they want. In fact, the real policy is to continue to prop up an utterly dysfunctional failed banking and financial model but to cover it with a pretence of some regulation. That is what this is about; it is utterly fake, cynical reform. What do I mean by that? If the context of this legislation is the mortgage crisis that has ensued from the reckless lending of financial institutions, then one would expect that the Government and the troika would move to ensure the banks do not get more power to unleash the consequences of the mortgage crisis they created onto the backs of

distressed mortgage holders. In fact, they are doing the opposite. While the Government is putting legislation through the House and pretending to deal with the banks, it is drawing up guidelines and legislation that will let the dogs off the leash, allowing the banks to repossess the homes of distressed mortgage holders and harass people who are in mortgage distress day in, day out. The Government is prepared to allow the banks to break through the current limit on the number of calls they can make to people to harass them about paying off mortgages they are unable to pay. The Government has said it will do away with those limits. The banks were not abiding by the limits anyway. In many cases they were terrorising mortgage holders, and they continue to do so. What is the response of the Government to this? It is to suggest that they should be allowed to do it more. The Government has decided to remove any restrictions on the rights of the banks to harass mortgage holders. In this context, how can one believe the Government is serious about monitoring the lending activities of the banks while, at the same time, it is moving to act in that way? At the behest of the troika, we expect legislation presently which will remove legal obstacles to the banks' repossessing the family homes of ordinary people. It is utterly unacceptable.

The approach is completely lacking and I simply do not get it. Sometimes at the Joint Committee on Finance, Public Expenditure and Reform or in the Chamber, the Minister of State, Deputy Cannon, joins us in lamenting the behaviour of the banks and their failure to deal with distressed mortgages, but at the same time the Government acts in this way. Why? Is the Minister of State simply playing to the gallery? I assume he is simply playing to the gallery, because he knows there is such anger about mortgage distress that he must be seen to express sympathy with those who are in mortgage distress. However, when it comes to real, substantial action, the Government is simply further empowering the bankers to impose more suffering, anxiety, distress and fear onto ordinary mortgage holders. Why is there nothing in the Government's legislation, plans or policies to stipulate that the banks must take most of the hit for their reckless behaviour? Why is there no substantial policy along these lines? Rather, we get exactly the opposite. Why does the Government not believe the banks should be forced to take the hit? When the question is asked, all we get is claptrap along the lines that we need to have a functioning banking system for the economy. Was there ever a moment in history when the banking system as it is currently constituted showed itself to be more dysfunctional, damaging or strangling of the real economy and society - and, most importantly, of the human beings who live in that society - than it is at this moment? Yet the Government insists that we must prop it up and protect it, and prop up private ownership of the financial system, even though that is the main problem.

I realise the Minister of State would not go as far as I would, as a socialist, and take the view that we need to nationalise the banking system to have real control over its policies, priorities and objectives, although that is clearly what is needed; it is crying out to us from the events that are unfolding in this country and throughout Europe that we need to control the banks democratically, because they are a law unto themselves. They are vultures. There is nothing they will not do to people to get money back. It is fair enough if the Minister of State does not accept that, but can he not at least accept that banks should be penalised and should pay the bill for what happened between 2000 and 2008? Let us forget about my aspirations for a different type of economy. If the Government does not take action to unload and transfer the burden of debt that was generated because of the activities of private banks and has been loaded onto the backs of ordinary mortgage holders, our economy as a whole and the European economy, then we are going nowhere and there is no way out of this crisis.

It is simply extraordinary that the Government is contemplating this new regime. The Government refers to the restructuring of mortgage debt, and there is debate about whether people should give up their second cars, whether women should have to give up their jobs and whether such people should have the money for private health insurance. I am in favour of a public health system, but against a backdrop in which the public health system is being savaged to pay off the banks, it is understandable that people feel the need for private health insurance, which might be considered a luxury under these new restructuring arrangements. Not only is that cruelly unfair on the families that will be saddled with these arrangements as a result of the insolvency legislation and guidelines it appears are due from the Central Bank in regard to these arrangements, not only will this be the most bleak and grim prospect for 180,000 families for a decade or more, but these people will not have a penny to spend in the economy. Every penny or euro the banks or the insolvency practitioner or agency try to pinch from the distressed mortgage holder is a penny or euro that will not be spent in the domestic economy. Can the Government not do the sums on that? People need more money to spend.

Even people with moderate views have said that roughly speaking the international standard is that people should have approximately from 30% to 35% of their income to spend on keeping a roof over their heads, whether rent or mortgage. Why does the Government not introduce a simple measure providing for that? Why does it not decide that whatever the person's income is, it will expect the person to pay 30% of it towards the mortgage and do as they please with the rest? People should be able to spend the rest as they want, whether they are unemployed, lucky enough to still be in a job or whatever their circumstances. That would be the fair way to deal with the issue, rather than the invasive, cumbersome, slow and ineffective process the Government proposes, which will go on for years and years. Why can it not propose a simple model like that?

Debate adjourned.

Message from Seanad

An Leas-Cheann Comhairle: Seanad Éireann has passed the Motor Vehicle (Duties and Licences) Bill 2013 without amendment.

Topical Issue Debate

VAT Rates

Deputy Timmy Dooley: As the Minister of State knows, the private bus and coach industry plays a substantial role in the Irish economy. The industry is made up of over 1,900 small to medium enterprises which operate in every county in Ireland and which between them employ

somewhere between 6,500 and 7,000 people. The industry is a major provider of transport services, with 276 scheduled services, 220 student services and approximately 200 tour services. I wish to focus on the 200 tour services in this particular discussion.

Coach tourism services make a significant contribution to the Irish economy, with about 300,000 overseas coach tourists visiting Ireland in 2010, worth an estimated €180 million to the Irish economy and supporting employment in other sectors of the tourism sector. Private bus and coach tour operators account for approximately 80% of the school transport service. Unlike the haulage industry, coach and bus companies cannot reclaim VAT. The issue of VAT exemption for the haulage industry is a historic issue. This competitive disadvantage must also be viewed in the context that Northern Ireland based coach operators are zero rated for VAT and, therefore, can claim VAT back on all inputs. This puts southern operators, or Twenty-six Counties operators, at a distinct disadvantage, because they must include all the VAT they pay on the inputs and are not in a position to reclaim it, unlike their counterparts north of the Border. This places a significant competitive disadvantage on their shoulders.

While we are an all-island economy in some respects, there is no doubt the Border exists in this regard and this creates a great difficulty for those operators south of it to be able to compete effectively. This is why, in the past couple of years, we have seen a greater amount of Northern registered tour buses plying their trade south of the Border. This would be fine if we had a fair and open competitive environment, but we do not. It is incumbent on the Department of Finance to look at this situation and to try to assist those companies south of the Border which must operate within a different VAT regime to see if something can be put in place to resolve their issue.

I appeal to the Minister of State to take on board the concerns that have been raised. As he knows the coach tour part of many of these operators' businesses is important to their survival so they can provide the type of school services they do and other scheduled services. It is part of the mix of services they operate, but now it looks as if the pressure being put on them in this competitive environment will make it very difficult for them to survive long term. It is incumbent on the State to address the issue being brought to its attention.

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon):
I am pleased to have this opportunity to speak on the issue of the VAT treatment of the coach and bus sector.

The transport of passengers and their accompanying baggage is exempt from VAT in Ireland under paragraph 14(3) of Schedule 1 to the VAT Consolidation Act 2010. In this respect, services provided by the coach and bus sector are exempt from VAT. This means that a person who provides a bus or coach service does not register for VAT and does not charge VAT on the supply of their services. This also includes the hiring of a bus or coach with a driver. In this respect extending the 9% VAT rate to these services does not arise as no VAT is charged on the services. In addition, persons who are exempt from VAT cannot recover VAT incurred on goods and services incurred in relation to their business, such as fuel, tyres and mechanic charges, used for the purposes of the person's coach and bus service.

The Deputy is concerned about the different VAT treatment of passenger transport services between Ireland and the UK. In the UK, passenger transport is zero rated for VAT purposes, which means passenger transport providers do not charge VAT on the services they supply, but unlike in Ireland, they are entitled to recover VAT incurred on the goods and services used as

part of that service, including fuel. VAT law in Ireland and the UK must comply with the EU VAT directive. As passenger transport was exempt in Ireland on 1 January 1978, it is possible under the VAT directive to continue to apply that exemption. As passenger transport services were charged at the zero rate in the UK on 1 January 1991, the UK is entitled to continue to apply a zero rate to passenger transport services. It is not possible under EU law for Ireland to apply a zero rate to such services as we did not apply a zero rate to them in 1991.

However, I would point out that UK passenger transport operators who establish their businesses in Ireland are subject to the same VAT rules as Irish operators. They are exempt from VAT and not zero-rated and as such are not entitled to deductibility in respect of VAT incurred on items such as fuel. In addition, UK passenger transport operators who are not established in the State are not entitled to any refund of VAT incurred in this State for the purposes of carrying out passenger transport activities, whether that service takes place wholly or partially in the State or whether it takes place wholly outside the State.

While persons who are VAT exempt cannot recover VAT incurred on goods and services incurred in relation to their business, there is special provision within the VAT code to allow a refund of VAT incurred on the purchase of touring coaches. Under VAT Refund Order S.I. 266 of 2012 coach operators who are exempt from VAT may, subject to the conditions in the order, be entitled to a refund of the VAT paid on touring coaches that are no more than two years old and are within specified dimensions.

Furthermore, while VAT exempt coach and bus operators are not entitled to claim the VAT incurred on their fuel costs, the Finance Act 2013 provides for relief from excise incurred on auto-diesel used in the course of business by qualifying bus and coach operators. The relief was originally intended to apply to licensed hauliers, but following consideration, the Government decided to extend the relief to tax-compliant licensed passenger transport operators. The relief will operate on a sliding scale dependent on fuel prices, but will not apply when the price of auto-diesel falls below €1.24, including VAT. The maximum amount of the relief will be 7.5 cent per litre and will come into effect from 1 July 2013. It is estimated that the relief will cost in the region of €35 million gross in 2013 and €70 million gross in a full year.

Deputy Timmy Dooley: I welcome the Minister of State setting out the facts as they are. A UK business or operator established in the Six Counties can offer its services south of the Border. It can purchase all of its materials north of the Border, where it has the capacity to recover the VAT it pays. I do not suggest such companies do so on goods purchased south of the Border. This relates to inputs purchased north of the Border. There is nothing to prevent such a company from coming south to compete with operators in this jurisdiction that have a much greater cost base by virtue of their fuel inputs, etc. Such factors make it exceptionally difficult for them to compete with those involved in what I would describe as a predatory practice. We must recognise that the treatment or application of VAT is entirely different on either side of the Border.

The Minister of State has mentioned that this relates to an EU position. The Government has made much of its capacity to renegotiate matters at EU level in recent times. I would have thought it should be possible for it to seek some redress in this instance, given that it is clearly having a significant impact on a particular sector. It should be working at EU level to ensure the same set of circumstances applies south of the Border as north of the Border. This industry should be able to avail of a zero VAT rating or other compensatory measure that would ensure there was a fair and level playing pitch. Those who wish to ply their trade here should be treated

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equally in the interests of the protection of jobs. The Minister of State does not need a lecture from me about the devastating impact on the domestic economy of the fact that over 14% of people in our society are unemployed. The sector we are discussing would gain if this relatively minor change were made to an EU directive. Perhaps some other methodology might be used to ensure these operators can participate and compete on a level pitch. I ask the Government to consider the impact of what has happened in this sector and try to find a means of rectifying it. That is necessary if we are to retain the level of employment in this sector and enable those involved in it to compete effectively.

Deputy Ciarán Cannon: The Deputy is aware that the rather unusual and varying applications of VAT that applied in member states when they joined the European Union were allowed to remain in place. In essence, that has led to the development of some anomalies. The difficulty is that the VAT directive which applies does not allow for such anomalies to be removed. I wholeheartedly agree with the Deputy that the industry needs any support we can make available to it. The only option available to us in that regard was to extend excise duty support to hauliers and those involved in passenger transport services. We have done this and it was sought by the coach and tourism operators. The Government had given a commitment to support them by using the only taxation facility available to do so. It will cost the State €70 million in a full year. That is a serious commitment on the part of the State and the Government to a sector that deserves our support and will play a part in the country's future recovery.

Water Meters

Deputy Anthony Lawlor: I thank the Leas-Cheann Comhairle for allowing me to raise this topic. I welcome the Minister of State, Deputy Ciarán Cannon.

I appreciate that further legislation relating to Uisce Éireann is on its way down the tracks. The specific problem I am raising relates to Bord Gáis Energy's search for water meter operators which is going through the eTenders process. A number of people have raised the issue with me. According to the tender notice, Bord Gáis Energy is looking to install meters that will be capable of being read by hand-held electronic devices, without stop valves, etc., having to be opened. The meter readers will not have to physically examine each meter; they will be able to read it electronically.

While I do not like to be parochial, the best figures I have with regard to this problem are for my local area. Approximately 55,000 of the approximately 70,000 houses in County Kildare are connected to the public water mains. Between 4,000 and 6,000 houses in the county that were built after 2004, when the installation of water meters was first required as part of planning conditions, have water meters in place. A number of the householders in question have contacted me to express concern that their water meters might not be compatible with what Bord Gáis Energy is seeking as part of the eTenders process. Some meters have been installed since before 2004. Some of them may be at the wrong depth, while others may be of the wrong type to be read in this way. Some of the old-style manual meters which are fairly large and have to be read physically are still in use.

As we know, people will be charged for the installation of meters through their water bills. Those who already have water meters are worried that they will be charged for their removal if they are deemed to be incompatible with what Bord Gáis Energy is looking for in the eTenders document, in addition to being charged for the installation of a new meter. Some of them paid

for meter installation as part of the purchase of their houses, while others paid for it when they installed their own meters. I would like the Minister of State to give the House a commitment that Bord Gáis Energy will not charge people who have existing water meters in place if these meters need to be replaced to make them compatible with what is being required of the operators in using water reading systems. They should not be charged for the installation of new meters.

Deputy Ciarán Cannon: The introduction of domestic water charges is provided for in the programme for Government and the memorandum of understanding with the European Union, the IMF and the ECB. The Government considers that charging based on usage is the fairest way to charge for water. It has decided that water meters should be installed in households connected to public water supplies. It has also decided that Irish Water, a new State-owned water company to be established as an independent subsidiary within the Bord Gáis Energy group, will be responsible for the metering programme. The procurement process for the metering programme is under way. It is expected that the installation of meter boxes and domestic water meters will begin in the middle of this year and rolled out as quickly as possible thereafter. The Water Services Act 2013 assigns the necessary powers to Irish Water to allow it to undertake the metering programme. Census 2011 reported that approximately 1.35 million domestic properties were connected to public water supplies in Ireland. The objective is to install meters in the maximum number of these properties. A national survey has commenced to provide additional information on the suitability of individual properties for metering and on the work involved for the installations.

In recent years many local authorities have required developers to install meter boundary boxes in domestic properties. Local authorities have installed boundary boxes in some areas as part of water mains rehabilitation works. As local authorities have not installed water meters in these boundary boxes, no issues relating to the compatibility of meters will arise. Where a boundary box has been installed, the cost of installing a meter will be significantly lower as no excavation or reinstatement works will be required. The suitability of existing metering boundary boxes for the current metering programme is being examined as part of the national survey I have mentioned. The installation of meters is labour-intensive. Minor excavation and reinstatement works will be involved after the installation of the meter. It is estimated that the metering programme will sustain up to 1,600 jobs over two to three years. This will provide much needed employment in the construction sector. Other skills such as customer care experience will also be required. Irish Water will establish a new call centre to deal with customer inquiries. This will employ up to 375 people from 2014. At least 25% of the estimated 1,600 jobs created directly by Irish Water's domestic water metering programme will be given to people from small local businesses, the unemployment register and school leavers, graduates and apprentices.

Deputy Anthony Lawlor: The Minister of State's answer does not really include the commitment I am looking for on behalf of those with existing water meters. They should be able to inform Bord Gáis Energy or Uisce Éireann that they have a water meter and ask the company to come and read it. That would be better than the water board contacting them to say they have made the board's job of installing a water meter a little easier. It would be much fairer if the water board had to pay for one type of meter to be replaced with another. It is not the fault of consumers who planned ahead and installed water meters that we are now trying to make life easier for meter readers by using a system of reading meters that is not compatible with meters *in situ*.

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In all fairness, Irish Water, or Uisce Éireann, should pay for the installation of the water meter if it is already in existence. This would make it much easier for Irish Water itself to read it.

Deputy Ciarán Cannon: Although I am far from expert in this area, the response I have given would seem to indicate that the vast majority of houses have boundary boxes installed as distinct from water meters, although the Deputy may know otherwise. In that instance, the issue of compatibility does not arise. However, where there are already meters installed, I assume in order to standardise the reading of meters and to do so in the most efficient and effective way, there will need to be a replacement of those meters. While I am not aware of the number of meters to be replaced, if the Deputy was to contact the Department of the Environment, Community and Local Government or Bord Gáis itself, they might be able to enlighten him further as to exactly what process will be in place for those meters to be changed.

Fire Safety Issues

Deputy Seán Crowe: Across the State, people bought houses and apartments during the boom and then discovered to their horror that bad planning, poor regulation and reckless developers had left them with serious problems. Whether it is pyrite ripping homes apart in Dublin city or fire safety issues forcing people from their homes at Coalport Limited's Priory Hall, the hopes and dreams of many of these families have been destroyed. On a weekly basis, I deal with issues of dampness spores and so on. Again, it is always the tenant's or the owner's problem while the local authority steps back.

This week, we learned some of the residents in an affordable development in Lucan, County Dublin, have discovered their homes do not meet fire safety standards. The 52 houses in Foxford Court were sold in 2005, which is part of the problem. In 2005, people complained there was a problem with fire regulation in the area but it is only now, in 2013, that the developer is examining the problem. There is also a problem in that the houses were sold as affordable housing by South Dublin County Council, which has a responsibility. However, the council seems to be stepping back and saying it is a matter for the tenant.

What assurances can the Minister of State give the families in Foxford Court and other developments that their homes will be made safe and compliant with building and safety regulations? This estate is just one example and there could easily be others. What reassurances can the Minister of State give residents that they will not have to foot the bill for the works that are required to make their homes safe? Does he consider it acceptable for a local authority, South Dublin County Council in this instance, to wash its hands of a problem when it was the council that sold the affordable houses in 2005?

I emphasise that the delay from 2005 to 2013 is a serious issue. We are talking about fire safety yet we are eight years down the track. Something is wrong with the system. While the Minister of State might not know the detail, this could happen in any area. I point out this estate is not in my constituency but I am concerned and feel we need to address the problem.

Deputy Clare Daly: I was absolutely fuming when I read what happened to residents in Lucan because the very same developer was responsible for building units in Balbriggan. I spent years, starting about seven years ago, trying to push Fingal County Council to rectify fire

safety issues which are in existence in that estate and must now find out the same builder was responsible for the same thing in a different local authority area. Yet, this other local authority has adopted the very same contemptuous attitude that some people in Fingal County Council adopted with regard to residents' concerns.

These are not isolated cases. As remediation works are being done in pyrite-afflicted homes at the moment, when the walls are opened up it is found on a regular basis that fire safety standards are not being adhered to, and this is a particular problem in timber-frame developments. There have been numerous breaches of these regulations yet the local authorities have not acted and have not initiated any enforcement proceedings whatsoever. What is the Minister and his Department going to do about that? In the case of the developer concerned with the estate in Balbriggan, the council there engaged with the developer, agreed some issues to be dealt with and then accepted a few issues and let him off in terms of compliance on the others. No enforcement proceedings were taken.

When people buy dwellings from a local authority, they think they are buying the best and that they are getting the best standards of checking and so on. In this case, not only did that not happen, but the seller of the property, in this case the local authority, has walked away from it. That is not good enough. The people who bought affordable houses were those who needed support as they could not afford to buy on the market. They need greater protection. We know of instances where people are being levied for the cost of the remediation works. Homeowners themselves are being asked to pay for this, and the local authority's response has been that it is a civil matter between the tenant and the builder. It is not a civil matter between them. The local authority has a role to play as the enforcing authority. What is the Minister going to do to make sure the local authority ensures the builders do the work they were supposed to do and adhere to the standards they were supposed to adhere to? If the builder is gone, how will the Minister make sure that is done without it being a cost to the residents, who are the victims in this?

Deputy Ciarán Cannon: I thank Deputy Crowe and Deputy Daly for raising this matter of such acute public concern. On behalf of the Minister, I want to acknowledge the difficult and distressing situation being faced by the residents of Foxford Court who, through no fault of their own, find that the homes they have invested in do not comply with the minimum statutory requirements in regard to fire safety. Contrary to inaccurate media reports, it is important to note that no evacuations have been ordered or have taken place at Foxford Court. The development is being monitored by fire safety officers and the question of evacuation is unlikely to arise.

Compliance with the building regulations is a matter, in the first instance, for the owner-developer. Enforcement is a matter for the building control authority, in this case South Dublin County Council, or, in regard to fire safety, the fire authority, in this case Dublin City Council. Where difficulties arise, remediation is ultimately a matter between the parties - that is, the developer, the developer's agents and insurers, on one hand, and the buyers, their agents and the owner's management company on the other hand - subject to the terms of any contracts entered into by the parties.

Foxford Court consists of 52 housing units developed as an affordable housing scheme. Eligible applicants purchased the properties by private sale, having fulfilled the criteria for eligibility under the affordable housing scheme. It is understood that "opinions of compliance" were provided by the developer and their agents in regard to the sale of the dwellings at Foxford Court.

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In response to concerns raised by residents, South Dublin County Council has advised the residents of its obligations under the planning, fire safety and building control codes. It has advised that the management company contact the developer in regard to the remediation of defects and deal with the chief fire officer to agree a strategy to address the issue. The chief fire officer may also advise on risk assessment and mitigation measures. It is understood that the problems include inadequate fire-stopping provision between dwelling units and failure to fire-seal around service pipes.

South Dublin County Council is in possession of three units at Foxford Court. These have recently been inspected by council staff and will require remedial work to achieve compliance with the approved fire safety certificate. As owner of these properties, South Dublin County Council will remediate these units and it has indicated its willingness to share relevant information with the management company.

The Minister for the Environment, Community and Local Government is committed to ensuring that local authorities use the powers available to them under the various planning, fire safety, housing and building control Acts to assist residents who, through no fault of their own, find themselves in the stressful and distressing situation of coping with a home that is not compliant with the fire safety requirements and building standards. Local authorities across the country have been proactive in addressing such problems to date and, on behalf of the Minister, I urge South Dublin City Council to engage proactively with all stakeholders to work towards a resolution in the case of Foxford Court.

The Minister agrees with Deputy Crowe on the need for new building control legislation to ensure compliance with fire safety standards. In this regard, following extensive public consultation, he will shortly announce stringent new building control regulations which will require in regard to building works commencing on and after 1 March 2014: the submission of compliance drawings and documentation with local building control authorities; an inspection plan to be drawn up and executed during construction by a registered professional, who will be known as the assigned certifier; and mandatory certificates of compliance to be signed by the designer prior to construction and by the assigned certifier and builder when a building is complete. The introduction of statutory certification, backed up by the lodgment of compliance drawings and inspections during construction by registered professions, is a key consumer protection measure, and an important element in the pursuit of an improved culture of building control.

Deputy Seán Crowe: I welcome the fact the Minister of State is urging South Dublin County Council to engage proactively with all stakeholders to work towards a resolution in the case of Foxford Court. Again, it is not a matter of urging it. This local authority and other local authorities in similar situations have a responsibility and must step up to the plate and support those residents. The fact that the local authority will share relevant information is a positive step but it is understandable why residents would feel it has a larger role in this because they bought their homes through this local authority.

Does the Minister of State agree that Newlands Development Limited must also rectify any fire safety problems in other homes in Foxford Court? The Minister needs to contact Newlands Development Limited as a matter of urgency and urge it to right the wrong done to these tenants. We need to do more to help the families in this situation. I welcome the legislation coming down the track but we have a responsibility for the people stuck in this situation.

Deputy Clare Daly: The Minister of State's response understates the scale of this problem.

It is a fact that there are thousands of dwellings that are not compliant with fire safety standards and it is a miracle that multiple fatalities in this regard have not occurred. According to the Minister of State's response, it is understood that opinions of compliance were provided by the developer and its agents for the selling of the dwellings. That is it in a nutshell. Documents were signed that said these dwellings were in compliance with standards but they are not. There are thousands more dwellings that are not compliant. As a minimum, the State must accept responsibility because these problems arose due to a system of self-certification. They must be rectified now at no cost to the residents before lives are lost.

With regard to Newlands Development Limited, we have concrete proof that fire safety standards were ignored in Balbriggan and Lucan. Will all of its developments be examined and a team sent in at Newlands' expense to remediate all those developments? There are other timber frame developments around the city and I assume that Dublin is no different from the rest of the country that is similarly vulnerable. It is not good enough for the local authority to sit back and tell residents that it is their fault and that the matter must be sorted out between them and the developer. Will the Minister order all local authorities, particularly those in areas with timber frame housing, to open up their books and initiate enforcement proceedings where it is known that a developer has been responsible for ignoring fire safety standards? When the local authority was the seller of these units, can we at least assume that it will respect the people to whom it sold the properties and engage with and undertake to assist them in getting remediation works completed?

Deputy Ciarán Cannon: The Department of the Environment, Community and Local Government will continue to liaise with South Dublin County Council in respect of its response to this situation at Foxford Court. I urge everybody concerned to allow the council to continue to deal with the situation in line with the standard arrangements in place for the discharge of its statutory functions, which are quite substantial in this area. Since the Government took office, the Minister for the Environment, Community and Local Government has clearly signalled that consumer protection in the area of quality construction of new dwellings is a priority. As I indicated earlier, he will shortly announce new reforms relating to mandatory certification and improved inspection arrangements which will have the capacity to improve the quality of buildings while ensuring that problems like those that have arisen at Foxford Court are not visited upon home owners again.

Deputy Seán Crowe: Eight years.

Schools Building Projects

Deputy Joe Higgins: I am sorry the Minister for Education and Skills is not here because I want to call him to account for a gross breach of promise and remind him of his responsibility to the people of Castleknock. It came as a body blow to the parents, staff and students of Castleknock community college when they saw an answer to a parliamentary question from the Minister towards the end of last year saying that desperately needed extra classrooms and a sports hall were not included in the five-year construction programme announced by the Department of Education and Skills last year.

These extra classrooms are long overdue and critical at this stage. Castleknock community college was built in 1995 after it must be said much lobbying and pain from the local community. It was built initially for 400 students but inevitably, as those of us who supported the com-

munity and parents at the time predicted, the burgeoning population of young people meant that there was significant pressure for expansion and there are now 1,135 students. Unfortunately and incredibly in this day and age, many of these students are in prefabricated buildings that have gone from being a temporary solution to a long-term fixture. This is a deplorable state of affairs. A mother of a current student wrote to me emphasising the critical need for the new classrooms and pointing out that students are learning in cold and damp prefabs which have outgrown the age they were supposed to last. She also pointed out the necessity for building a sports hall because with the confined space in the area, children are denied the full scope of physical activities.

Castleknock community college has wonderful and dedicated staff and a wonderful complement of students with very committed parents behind them. They are generally low and middle-income earners and many of them have been badly hit by the economic crisis and the disastrous austerity policies of this Government and the previous one. If this Government did not proceed with the much needed facility students and parents were promised, it would be a very low blow.

Two Government Ministers represent this area along with myself. While in opposition, the Minister for Social Protection frequently raised the decibel level quite high when there were intolerable delays in educational investment. The Minister is very quiet on this issue. In 2011, the Minister for Transport, Tourism and Sport welcomed the granting of planning permission for the new addition to Castleknock community college and then said in a communiqué to his constituents that he hoped work would begin in 2012. He indicated that he would be contacting the Minister for Education and Skills to highlight the importance of advancing a project as important as this.

I want an answer from the Minister of State and the Department, namely, a date in the near future when the building of the extra classrooms and sports hall will commence as was solemnly promised to the people and students of Castleknock community college. Nothing less than that is acceptable.

Deputy Ciarán Cannon: I thank the Deputy for raising this matter as it provides me with the opportunity to outline to the Dáil the Government's strategy for capital investment in school building projects over the next four years and to clarify the current position in respect of the proposed building project for Castleknock community college. The five-year construction programme announced in March 2012 identifies the school building projects which are to progress to tender and construction over that time period. There were some school building projects already in architectural planning which were not included in the five-year programme and which may require major refurbishment or the replacement of temporary accommodation. The project for Castleknock community college is one such project. These projects will continue to be progressed to the point where they will be tender-ready but may then need to be deferred for progression to tender and construction at a future date.

The project for Castleknock community college entails construction of a two-storey extension with a total floor area of 2,005 square metres and will include a new sports hall with balcony and changing rooms, ten new classrooms to replace existing temporary accommodation, some ancillary accommodation and a covered link to the existing school building.

The project for Castleknock community college entails construction of a two-storey extension with a total floor area of 2005 m² and will include a new sports hall with a balcony

and changing rooms, ten new classrooms to replace existing temporary accommodation, some ancillary accommodation and a covered link to the existing school building. The new development includes the demolition and removal of two temporary accommodation blocks and the provision of 26 new car spaces and associated external works including landscaping. The project, once complete, will not significantly affect the overall student intake capacity of the school, which has remained stable at just over 1,100 students per annum for the past ten years.

Following consideration of a number of stage 2(b) submissions, the building unit of my Department convened a meeting with the VEC and its design team on 29 May 2012 in order to deal with outstanding design and cost issues. A third revised stage 2(b) submission was received in my Department in December 2012. Further clarification has been sought from the VEC on this stage 2(b) submission and the Department is currently awaiting a response. Following the liquidation of the civil and structural engineering company on the design team, a tender for a replacement consultant is required. The VEC has been authorised to commence this process. Due to competing demands on my Department's capital budget imposed by the need to prioritise the limited funding available for the provision of additional school accommodation to meet increasing demographic requirements, it was not possible to include this project in the five-year construction programme announced in March 2012.

Deputy Joe Higgins: Unfortunately, there is cold comfort here for the students of Castleknock community college and their parents, with "cold" being the appropriate word. Many students will continue to be forced to be educated in substandard prefab accommodation. This is not acceptable. The Minister of State's reply outlines what the project entails: ten new classrooms to replace the existing temporary accommodation, which is cold and damp, and a new sports hall with balcony and changing rooms. This underlines how essential and urgent this facility is. Therefore, this is not the end of the story. I will urge the parents and students of Castleknock community college to mobilise themselves to demand that the promises made to them be carried out. There is a moral imperative on the Government to put in the necessary investment for these essential improvements rather than paying off gamblers and speculators. The people of Castleknock and everywhere else have no responsibility for the bad debts they raised. There is a moral imperative because of the educational needs of the school students and their right to be educated in satisfactory accommodation.

I point out to both the Labour Party and Fine Gael the political pitfall that lies ahead for them if they do not carry out the promise that these Ministers, representing those two parties, made to the people. The Labour Party is today reaping a bitter reward for broken promises in its pathetic result in the Meath East by-election. In the case of Dublin West and Castleknock, the people will feel similarly betrayed in regard to this. Fine Gael need not think it would be exempt from the anger of our people.

I advise the people to get mobilised. I will advise them to bring the community together to demand the presence of Ministers, to demand explanations as to why their promises have been broken, and to demand that the promises be reinstated and that this very necessary investment in the classrooms and sports hall at Castleknock community college be expedited and delivered within a very short period of time.

Deputy Ciarán Cannon: The Deputy is more than aware of the very significant demographic challenge arising, which my Department has to meet with limited resources. Overall national enrolment figures are expected to grow by 70,000 between 2012 and 2018, with an increase of more than 25,000 students at post-primary level and 45,000 at primary level. Post-pri-

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mary enrolment is expected to continue to rise until at least 2024. In order to meet the needs of that growing population of school-going children, the Department has to establish new schools as well as extending or replacing a number of existing schools where demographic growth has been identified. Delivery of these new schools, together with extension projects to meet future demand, must be the main focus of the Department's capital budget for the coming years.

The five-year programme announced in March 2012 will provide more than 100,000 permanent school places, of which more than 80,000 will be new school places. The remainder will involve the replacement of temporary or unsatisfactory accommodation. Due to competing demands on my Department's capital budget imposed by the need to prioritise the limited funding available for the provision of additional school accommodation to meet increasing demographic requirements, it was not possible to include Castleknock community college in the five-year programme announced in March 2012. School building projects, including the project for Castleknock, which have not been scheduled for construction in that five-year programme but which had previously been announced for initial inclusion in the building programme will continue to be progressed to final planning stages in anticipation of the possibility of further funds being available to my Department in future years. The project for Castleknock community college remains available to be considered for progression in that context.

Ceisteanna - Questions

Priority Questions

Undocumented Irish in the USA

1. **Deputy Brendan Smith** asked the Tánaiste and Minister for Foreign Affairs and Trade the progress he has made in discussions with the US officials and President Obama regarding the E-3 Visa programme for Irish citizens and the status of the undocumented Irish in upcoming immigration reform legislation; and if he will make a statement on the matter. [15822/13]

Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore)(Deputy Eamon Gilmore): The position of undocumented Irish immigrants in the United States and the need to provide opportunities for future legal migration between Ireland and the USA through Ireland's inclusion in the E-3 visa programme are important priorities for the Government. Both objectives featured prominently in the meetings the Taoiseach and I held in Washington with the US Administration and Congress during the St. Patrick's Day period. Meetings took place with President Obama, Senators Leahy, Schumer, McCain and Isakson and several leading Members of the House of Representatives. I also discussed the prospects for immigration reform in my meetings with Secretary of State John Kerry on 6 and 18 March 2013.

The clear advice to emerge from these high-level contacts was that comprehensive reform remain the most likely way to resolve matters for the undocumented. The prospects for such reform have advanced in the wake of President Obama's re-election. He emphasised his commitment to achieving a positive outcome in his inauguration and State of the Union addresses and during his meeting with the Taoiseach and me on 19 March. Indications of emerging bipartisan support for reform in Congress are also encouraging. While work is under way in the Senate and the House of Representatives, full proposals have not yet been tabled and it is, therefore, not possible at this stage to identify an exact timescale during which progress might be achieved. It is also important to recognise that immigration remains a divisive political issue and that achieving a positive outcome will be very difficult. This issue will continue to receive the Government's closest attention in the period ahead.

Deputy Brendan Smith: I thank the Tánaiste for his reply and welcome his assurance that this very important issue was raised in meetings with Members of Congress and the US Administration, including President Obama. Will he inform the House whether immigration reform generally or the specific inclusion of Irish citizens in the E-3 visa programme was raised with President Obama? While it is always difficult to predict the likely timescale for legislative processes to be completed, the electoral calendar moves faster in the USA than it does here as Members of the House of Representatives and certain Senators take part in the two year election cycle. Does the Tánaiste think there will be progress in the next 12 to 18 months? Naturally, we hope to see progress earlier. Constituents with family members in the USA have told us about their difficulties, which we have discussed in the House, on particular occasions when those family members have been unable to return. Will the Tánaiste provide the House with an assurance that the matter is being treated with urgency within the US legislative system and Administration?

Deputy Eamon Gilmore: There are two parts to the Deputy's question. The issue of comprehensive immigration reform which will address the needs of the undocumented Irish was part of the discussion. We also requested at our meetings that an E-3 visa arrangement be put in place for Irish people travelling to work in the United States of America. There are two parts to this, the first of which deals with the approximately 50,000 undocumented Irish in the United States of America who are part of a total population of 11 million undocumented immigrants living there and for whom comprehensive immigration reforms are being brought forward. The second issue is the question of an E-3 visa arrangement to enable those who want to work in the United States of America to travel there legally. Both issues were addressed.

On the question of the timetable involved, a cross-party group of eight Senators - four Democratic Senators and four Republican Senators - is working on comprehensive immigration legislation. Their work is continuing and we must wait to see what emerges. The expectation is that on the completion of the group's work, the matter will go to a Senate committee - likely to be the judiciary committee which is chaired by Senator Leahy - before being put before the Senate. Thereafter, it would have to go to the House of Representatives. We are maintaining a level of contact with key Senators, including those involved in the drafting of the proposals. We are also maintaining contacts with Members on both sides of the aisle in the House of Representatives.

Deputy Brendan Smith: Will the Tánaiste assure the House that we will not simply rely on the traditional supporters of Irish causes? It is an issue Deputy John Deasy raised previously. Is a specific effort being made to broaden the base of support within Congress for immigration reform and ensure the issue progresses? It is welcome that there are four Senators from the

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Republican Party and four from the Democratic Party. We need equal support from both sides of the Houses of Congress.

Deputy Eamon Gilmore: Considerable efforts are being made to speak to Senators and Representatives to ensure we widen the number of individuals to whom we talk beyond those Senators and Representatives who have provided very welcome support for Ireland and Irish causes in the past. I met Senator John McCain during my visit and spoke to him on the telephone some time ago. I spoke to Representative Jim Sensenbrenner who has an interest in the immigration issue. I engaged in discussions with Representative Paul Ryan who was the Republican Party candidate for the position of Vice President in the recent election. We are widening the number of individuals to whom we are talking and emphasising that we are talking to people on the Republican as well as the Democratic side.

Foreign Conflicts

2. **Deputy Seán Crowe** asked the Tánaiste and Minister for Foreign Affairs and Trade his views on whether EU member states should be allowed to send military weapons to the Syrian opposition groups; if he supported or opposed this position at the Informal Meeting of the EU's Foreign Ministers in Dublin on 22 and 23 of March. [15824/13]

4. **Deputy Brendan Smith** asked the Tánaiste and Minister for Foreign Affairs and Trade the progress made at the 22 and 23 March EU discussions on Syria; the future steps that will be taken by the European Union to address the problems; and if he will make a statement on the matter. [15823/13]

(Deputy Eamon Gilmore): I propose to respond to Questions Nos. 2 and 4 together.

At its meeting on 14 and 15 March the European Council asked the Foreign Affairs Council to discuss EU policy on Syria, in particular the question of the sanctions regime and the arms embargo in place until 1 June. These issues constituted the major topic of discussion at the informal meeting of EU Foreign Affairs Ministers which took place in Dublin on 22 and 23 March and which I co-hosted with High Representative Ashton. It was obvious at the meeting that all EU partners wanted to see an end to the relentless violence that had been visited upon the Syrian population in the past two years and the departure of Assad within the shortest possible timeframe. It was equally clear that all member states remained fully supportive of a negotiated solution to the conflict and the assiduous efforts being undertaken by UN and League of Arab States special envoy, Mr. Lakhdar Brahimi, to broker a political settlement. There is no disguising, however, that there are genuine differences of opinion about the best way of getting to that point.

A small number of member states have argued that to apply greater pressure to the Assad regime to engage seriously in political dialogue, the European Union should consider lifting partially the arms embargo in place to allow the supply of weapons and military equipment to opposition groups, notably the Syrian National Coalition and the Free Syrian Army. I have made it clear to my colleagues in the various discussions which have taken place Ireland's strong reservations about any proposal to lift the arms embargo. This view is shared by a large majority of member states which also oppose further militarisation of the conflict. Lifting the arms embargo could trigger an arms race in Syria and neighbouring countries which, given existing threats, would be extremely perilous for the stability of the entire region. It is also clear,

based on the advice of people such as Lakhdar Brahimi who are centrally involved in efforts to promote a political resolution, that arming opposition groups would seriously undermine whatever prospects there may be to make political progress, even if these remain fragile.

Despite the differences between us, there was a strong collective commitment at our Dublin meeting to maintaining EU unity on the subject of Syria. Without such unity, the European Union's ability to exert a positive influence on the situation and other key actors would be greatly diminished. It was agreed that we should continue to discuss this complex issue, notably at the next Foreign Affairs Council in Luxembourg on 22 April, with a view to reaching agreement before the end of May, when the entire package of sanctions against Syria will be due for renewal. I assure Deputies that, together with our European partners, Ireland will continue to address the crisis in Syria as a matter of utmost priority. We will use whatever influence we have in our current EU Presidency role to support and promote the Union's efforts and initiatives towards a peaceful resolution of the conflict.

Deputy Seán Crowe: The breaking news on television is that a mortar attack was carried out on Damascus University. It is reported that 15 students were killed and 30 injured in an attack on the canteen. We should express our sympathies to the families of those killed or injured. The attack was reportedly carried out by Syrian rebels and is another attack on innocent civilians in a bloody conflict. It has happened on all sides. The UN reports that 70,000 people have been killed since fighting began. We see an increase in the strength and deadliness of attacks. A recent report referred to a chemical attack in Aleppo, with the rebels supposedly involved in that attack. Britain and France have repeatedly threatened to veto the renewal of sanctions on Syria if they do not get their way.

I appreciate that the Tánaiste opposes further militarisation of the conflict. We need to see a complete cessation of hostilities, not an escalation, which is what will happen if we lift the embargo. Everyone is aware of the review of the embargo on sanctions by 1 June. Britain and France have previously threatened to go their own way. I accept the EU is divided on the issue. Will the embargo be binned or is there a chance France and Britain will do their own thing? What implications will it have?

I attended the interparliamentary conference at the weekend along with the Tánaiste. In debates on Syria, there was broad agreement across delegates from all countries, including Britain and France, that this was the wrong path. I welcome the firm statement by the Tánaiste today. People want to know what we can do in respect of Ireland being an honest broker. Are there channels of discussions with the EU during the Presidency? How can we enhance the channels and is there a possibility of a cessation? That is what we are looking. Is the possibility a pipedream at this stage?

Deputy Brendan Smith: I welcome the Tánaiste's statement. He is adopting the right approach. It is an important issue and I tabled a number of Priority Questions on it over the past months in view of the correspondence we receive from interest groups and the absolute humanitarian crisis that has erupted. Some 70,000 people have lost their lives. The Save the Children report referred to boys and girls being maimed, tortured and killed. Is the EU conveying to the United Nations that the United Nations has failed to act decisively on this issue? We know the type of veto Russia has been using. Can the Tánaiste assure us the Assad regime is not directing humanitarian aid to its supporters? The Tánaiste has received correspondence and seen media reports on aid being diverted by the Assad regime so the people most in need do not receive much-needed and belated humanitarian aid from across the world, including the

European Union and the Irish overseas development aid programme.

Deputy Eamon Gilmore: I did not see the television report to which Deputy Crowe referred but I join him in expressing my sympathy and the sympathy of the Government to those who have been killed in Syria. There is a continuing slaughter of people in Syria, as the Deputy said. Current UN estimates are that 70,000 people have been killed, although that may be a conservative estimate. Approximately 1 million people have been driven out of Syria altogether and are in refugee camps in Turkey, Jordan and Lebanon. Approximately 2 million people have lost their homes. There is a huge humanitarian crisis.

One of the areas where the European Union is making a big contribution and where we, as a country, have made a very significant contribution is in the provision of, and funding for, humanitarian aid. The question of where humanitarian aid gets to is a problem. I recently discussed with OCHA and the International Committee of the Red Cross in Geneva what needs to be done at a practical level to ensure humanitarian aid gets to where it is needed.

As regards the political path and the question of how we get a resolution to the crisis in Syria, it must be based around what Dr. Brahimi is doing. He is the UN representative and the representative of the League of Arab States. That must be supported by the UN Security Council. It has not been possible to get a robust resolution at the UN Security Council largely because Russia and China have vetoed efforts to get such a resolution. The European Union and individual member states have had discussions with Russia and China about the position they are taking on this because there is a necessity for the international community to speak with one voice on the issue. As a country, we have taken a number of initiatives to try to encourage that. For example, during the OSCE ministerial conference in Dublin, we facilitated a meeting between Dr. Brahimi, Foreign Minister Lavrov and the then Secretary of State, Hillary Clinton, with a view to getting some progress on the situation.

It is against a backdrop of a degree of frustration that political and diplomatic progress is not being made on Syria. Meanwhile the Assad regime continues to be supplied with arms, as do some of the extremist forces in Syria. The question of whether the arms embargo should be lifted has been raised by some member states in the EU Foreign Affairs Council. There is a sanctions regime which, including the arms embargo, remains in place until 1 June. It will obviously be reviewed by the Foreign Affairs Council between now and 1 June. On the last occasion we looked at this, it was agreed there would be a variation of the embargo to allow for the delivery of non-lethal equipment, including protective gear, flak jackets, helmets and material that would protect people from attacks on them.

It is probably overstating it to say the European Union is divided because there is a unified position on Syria which has been agreed by the Foreign Affairs Council. However, it is no secret that some member states are seeking a relaxation of the arms embargo.

Alternative Energy Projects

3. **Deputy Maureen O'Sullivan** asked the Tánaiste and Minister for Foreign Affairs and Trade his views on the European Commission's proposal to limit the use of crop based biofuels in transport by 2020 to 5%; if he will include this issue on the agenda of the upcoming Hunger Summit; and if he will make a statement on the matter. [15510/13]

Minister of State at the Department of Foreign Affairs and Trade (Deputy Joe Costello) (Deputy Joe Costello): My colleague, the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, takes the lead on Government policy in regard to bio-fuels. The EU Renewable Energy Directive 2009 requires that 10% of transport fuels should come from renewable sources by 2020. The directive also provided that the ongoing effects of its implementation be monitored by the European Commission. Following a number of studies, in October 2012 the Commission published a proposal to amend the Renewable Energy Directive and the Fuel Quality Directive. The Commission included a proposal that the 10% quota be reduced to 5%.

The proposal for a reduction to 5%, in conjunction with the incentives for advanced, or next generation, bio-fuels, signals the desire of the Commission to move towards the use of advanced bio-fuels made from feedstocks which do not compete with the production of food. While member states agree that the issue must be addressed, it is an extremely complex matter and there is no agreement yet on the appropriateness of a 5% cap. Progress is being made in this regard at an *ad hoc* working group of the EU energy and environment Councils, with the objective of producing a progress report for both Councils in June 2013.

I share concerns that bio-fuel production, unless properly regulated, can have a negative impact on food production and food prices. Higher food prices accentuate the challenges faced by poor people in developing countries in accessing sufficient food and having a nutritionally balanced diet.

The international conference that the Government is hosting with the Mary Robinson Foundation, the World Food Programme and the Consultative Group on International Agricultural Research in Dublin on 15 April and 16 April will be a dialogue on the interlinked issues of hunger, nutrition and climate justice. The event will bring together a diverse audience, connecting key policy-makers and global thought leaders with local people and practitioners facing the realities of rising food prices, failed crops and malnutrition.

Additional information not given on the floor of the House

The objective will be to learn from practical experience and from robust evidence of local solutions to these challenges, which will be presented during the conference by representatives of grassroots organisations from developing countries.

This year, the international community will review progress on the millennium development goals, two years before the target date for their achievement. Policy discussions will also begin on the post-2015 development agenda. It is essential that these policy processes be firmly rooted in the reality of people's lives and objective evidence of what has worked and what has not.

In hosting this conference, we hope to inspire new ways of thinking about global development challenges and to invigorate and broaden the debate, at all levels, listening to and learning from the experiences of local people, and rooting future thematic policy approaches in their lives and their efforts to cope.

Deputy Maureen O'Sullivan: It is rather ironic that the renewable energy directive, which has the grand ideal of working to combat climate change, should have such a negative effect. There is no doubt that the bio-fuel industry is driving land-grabbing in Africa. Some of the scientific data and reports we have received bear this out. Recently an NGO from Kenya told

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us about the circumstances in that country. It is reckoned that 40 million hectares have been taken from African land for bio-fuels since 2000, and this is having very negative effects, such as land displacement and evictions. These, in turn, cause hunger and water shortages. I will not address the labour issues associated with some of the companies involved.

Is Ireland supporting the reduction of the cap to 5%? When the Tánaiste addresses the Mary Robinson Foundation's conference, will he be saying that Ireland will support the 5% cap?

Deputy Joe Costello: Ireland is supporting the 5% cap. As I indicated, the discussions are ongoing. They are quite complex in the sense that there are a number of countries, particularly in eastern Europe, that regard any change to the 10% cap agreed in the original directive of 2009 as interfering with their industrial status. There is considerable awareness about the discussions. It is hoped that some progress will be made. The matter is being discussed under the Irish Presidency. Everybody would like to see us begin the process of separating the approaches to bio-fuels that interfere with food production from those of producing fuels from waste and other materials.

It is recognised that much land has been purchased in Africa recently. Some of it has been purchased for the production of bio-fuels and some for other purposes. This could have an impact in a continent in which food security is a major issue. This is a major consideration that we are taking on board. It will be very much relevant to the conference to which I referred.

Deputy Maureen O'Sullivan: Let me refer to two excellent reports on bio-fuels. The first, Fuel for thought: Addressing the social impacts of EU bio-fuels policies, was produced by ActionAid, and the second, The Race for Land, was produced by the Swedish Cooperative Centre. They really provide great insight. The last thing we want is for Ireland to be giving aid to alleviate hunger while it is taken back owing to the energy issue, thus creating more hunger in Africa.

I look forward to supporting the 5% cap. There should be direct discussions with the Minister for Communications, Energy and Natural Resources on this matter in the interest of policy coherence.

Deputy Joe Costello: I have seen the reports. Only yesterday I had a meeting with the Sierra Leone group, which produced a report on its concerns about what is happening in that country. This is very much taken on board. As the Deputy knows, Ireland devotes 20% of its overseas development aid to tackling hunger. It is the only country in the world that does so. The area of hunger, nutrition and food security is central to our policy. I spoke as recently as yesterday with the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, about his position on the negotiations taking place on the European Union regulation. We will be continuing our discussion in that manner.

An Ceann Comhairle: As Deputy Pringle is not in the House to deal with Question No. 5, we will move on to Question No. 6.

Question No. 5 lapsed.

Diplomatic Representation

6. **Deputy Michael McGrath** asked the Tánaiste and Minister for Foreign Affairs and Trade if he has reviewed the effectiveness of having a non-resident ambassador to the Holy See; and if he will make a statement on the matter. [15599/13]

Deputy Eamon Gilmore: The Government decision in November 2011 to close our resident embassies to the Holy See and Iran and our development office in East Timor was taken with considerable reluctance as part of a necessary budget process to reduce costs. The closure of the resident embassy to the Holy See has yielded substantial savings, not least as it enabled the significantly larger embassy to Italy and the residence of the ambassador to Italy to be relocated to the State-owned Villa Spada, formerly occupied by the embassy to the Holy See, thereby saving €445,000 per annum in rent on two properties.

As the Deputy is aware, the Government decided to appoint the Secretary General of my Department as non-resident ambassador to the Holy See, thereby ensuring that contact with the Holy See is maintained at the highest possible diplomatic level. Ambassador Cooney travels to Rome regularly and was present last week for the inauguration of Pope Francis, to which he accompanied the President and the Minister for Finance who represented the Government and subsequently at the Pope's meeting with the Diplomatic Corps. I am satisfied that the current arrangement for Ireland's representation at the Holy See is the most effective possible in light of the resource constraints faced by my Department.

The resident embassy to the Holy See will not be reopened in the immediate term. I will, however, be keeping the deployment of our diplomatic and consular resources under review in light of ongoing national priorities and the availability of resources.

An Ceann Comhairle: I remind Deputies that we are now dealing with Other Questions and as such they are limited to only one minute for supplementary questions.

Deputy Brendan Smith: Is the diplomatic network reviewed annually? Has the Tánaiste given consideration to a review of the necessity for full ambassadors to some of the international organisations? We have had diplomatic relations with the Holy See since 1929. In the sequence of London, Washington and the then League of Nations, it has been one of Ireland's longest established diplomatic relations and is an important listening post.

Is the Tánaiste, in stating that there are no plans to reopen it in the immediate term, reassuring us that he envisages a permanent resident ambassador being appointed in the medium term? While the Secretary General of the Department of Foreign Affairs and Trade is an extremely able and competent ambassador he is not the least busy official in the Tánaiste's Department. His position is demanding and challenging. While I acknowledge his competence, commitment and ability, is it unreasonable of us to believe he can devote considerable time to that particular post in view of the huge demands on him.

Deputy Eamon Gilmore: As I said at the time, the appointment of the Secretary General of my Department as non-resident ambassador to the Holy See signalled the importance and significance which the Government attaches to our diplomatic relations with the Holy See. We have a small but good diplomatic service. Our representation in terms of the countries wherein we have resident missions and the number of diplomats therein is approximately half that of countries of similar size. We have approximately 75 resident missions, some of which are to

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the multilateral organisations such as the United Nations, European Union and so on. We have 58 bilateral resident missions. In other words, we are represented in only 58 of the 190 states that are members of the United Nations.

5 o'clock

To take Latin America as an example, we have resident ambassadors in Mexico, Brazil and Argentina, and that is it. We have to review on an ongoing basis where we have our missions and how best to deploy them. It is something we will be doing again at the conclusion of the Irish Presidency.

Deputy Thomas P. Broughan: Many people noticed that Sweden and Slovenia, two member states of the European Union, closed their embassies in Dublin last year. Given that they did so and clearly did not consider they had such a level of interest, either in trade or otherwise, in dealing with us, is there not a case for closing our missions in countries such as those, certainly in the case of Sweden? As the Tánaiste said, €80 million or so is being spent on our 75 missions. Could those missions not be better placed? The Irish Exporters' Association asked recently that we concentrate more on Latin America, as the Tánaiste rightly mentioned, and on Asia and Africa. If the Swedish do not want to be friends of ours, as in the case of Facebook, why should we be friends of theirs?

Deputy Seán Crowe: The Tánaiste outlined previously how he reached that decision and the priorities involved. Does he consider reopening the consulate in the Vatican to be a priority, or is there somewhere else that should be given greater priority?

Deputy Brendan Smith: The Vatican has a relationship with 179 countries and there are 80 resident embassies there. Can the Tánaiste assure us that the idea of a dual location - to have an ambassador accredited to the Holy See as well as to Italy - was considered before the decision was made to appoint a non-resident ambassador?

Deputy Eamon Gilmore: What we need to do is to expand our footprint around the world. One point we mentioned was that in seven of our missions in European Union capitals we operate a mission with one diplomat. It is a very lean operation. What I would like to be able to do, and I hope we will be able to do this as resources become available, is to expand the number of places where we have resident missions. There are parts of the world where we need such missions in order to promote our trade and our country.

As I said in regard to the Holy See, it was always the case that we were going to examine it in light of changing circumstances, availability of resources and so on. That remains the case. The position has always been that both Italy and the Vatican want to have embassies that are located separately, but that is part of a discussion that is ongoing.

Overseas Development Aid

7. **Deputy Thomas P. Broughan** asked the Tánaiste and Minister for Foreign Affairs and Trade if there has been any enhancement of control measures in terms of the disbursement of Irish aid in view of the misappropriation of €4 million in aid to Uganda in 2012; and if he will make a statement on the matter. [15418/13]

58. **Deputy Dara Calleary** asked the Tánaiste and Minister for Foreign Affairs and Trade

the steps he has taken to enhance auditing and spending review in Uganda following last year's misappropriation of Irish overseas development aid funds; and if he will make a statement on the matter. [15581/13]

Deputy Joe Costello: I welcome the recent progress made on a durable solution to the conflict in the Democratic Republic of the Congo, DRC, with the conclusion in Addis Ababa on 24 February of the Peace, Security and Co-operation Framework Agreement for the DRC and the region.

The conflict has been allowed to continue for too long. It has taken millions of lives and caused untold human suffering. It is now vital to build on the framework agreed in Addis Ababa, and I warmly welcome the decision of the United Nations Secretary General to appoint the former President of Ireland Mary Robinson as special envoy to the region. She can count on the full support of the Government and of the EU in her work.

In the United Nations Secretary General's words, a lasting solution must be anchored in the political will of the leaders of all countries in the region. It must address the structural causes of instability in the DRC itself. It must respect the sovereignty and territorial integrity of all-----

Deputy Seán Crowe: The Minister of State is reading the wrong reply.

An Ceann Comhairle: We are on Question No. 7.

Deputy Joe Costello: No. 5?

An Ceann Comhairle: No, question No. 7.

Deputy Joe Costello: My apologies.

Deputy Seán Crowe: Somebody was listening.

Deputy Eamon Gilmore: It is an interesting reply. It is coming up shortly.

(Deputy Joe Costello): I propose to take Questions Nos. 7 and 58 together.

As Deputies will be aware, I was deeply concerned about the misappropriation of €4 million of Irish development funding in Uganda. I am committed to ensuring we learn from what has occurred in Uganda to further strengthen our systems of risk identification and financial management in Irish Aid and minimise the potential for any misuse of Irish taxpayer's funds in the future. Ireland has always made it abundantly clear that we have no tolerance for fraud or any other form of financial irregularity in respect of our development programme. When details of the misappropriation came to light, the Tánaiste immediately suspended €16 million of Irish development assistance which was due to be channelled through Government of Uganda systems in 2012. An investigation was initiated into the misappropriation of funds by the Office of the Prime Minister in Uganda which was undertaken by a team from the evaluation and audit unit of the Department of Foreign Affairs and Trade. The report has been published and the recommendations are currently being implemented.

Deputies will be aware that the Government of Uganda has accepted full responsibility for the misappropriation of Irish development funds and full restitution of the funds has now taken place. I welcome this action which was brought about after intensive dialogue at a high level with the Ugandan Government.

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Several steps have been taken as a result of the misappropriation to ensure the financial and risk management systems used to oversee and manage Ireland's aid programme throughout the world are strong and robust enough to operate successfully in very challenging environments.

The Ambassadors in the overseas Missions that manage Irish Aid bilateral programmes have undertaken a full review of their management and risk assessment systems to ensure that any weaknesses are highlighted and that appropriate measures are taken to address these. In addition, last month, the Secretary General of the Department held a meeting in Zambia with all of the heads of mission of embassies that manage aid programmes, to underline the importance of managing risk around Irish development funding and to highlight the importance of strong vigilance in the management of aid programmes.

The evaluation and audit unit of the Department of Foreign Affairs and Trade will also continue to build on the important work it has undertaken this year since the misappropriation in Uganda. The unit has begun an intensive programme of assessments of all our programme countries examining the financial controls and risk management systems in place and ensuring that these systems are as strong as possible. This work is expected to be completed by the summer and the unit will submit a report when these assessments are concluded. I am committed to the full implementation of any recommendations the unit may have as a result of the work it has undertaken.

The Department of Foreign Affairs and Trade is also seeking sanction from the Department of Public Expenditure and Reform to appoint a chief financial officer as subsequently recommended by the Committee on Public Accounts. I believe the appointment of a professionally qualified CFO will further strengthen our financial controls, not just within the aid programme but also across the Department.

In regard to Uganda specifically, the capacity of the embassy in the area of financial management and audit has recently been strengthened. In addition, the evaluation and audit unit will continue with its regular monitoring visits to Uganda, the next of which will take place in early April. The embassy is continuing to work closely with the Auditor General of Uganda and has committed to continuing support for his important work.

All of the efforts being made to strengthen financial oversight of the aid programme are to ensure that the valuable contribution made by Ireland towards improving the lives of some of the most vulnerable people in the world can continue, while at the same time providing strong assurance and accountability to the Irish taxpayer.

Deputy Thomas P. Broughan: I thank the Minister of State for his comprehensive reply. The suspension of assistance to Uganda is over. Has the programme resumed? How was the repayment of the €4 million expropriated from the €16 million made? Was it taken back in a single payment or did we discount it off this year's programme? How was that handled?

I welcome what the Minister of State said about the invigilation of the Irish Aid programme. I note that he says we will have a report by summer. Have warning lights been flashing in any other countries? Has the Minister of State heard any alarming reports following the investigation of the programme's finances? I welcome the appointment of the chief financial officer. That seems to be an obvious way to go to protect the investment we are making and the support we give to those countries.

I understand the Minister of State recently visited Tanzania, South Africa and Mozambique

partly to see what precisely Irish Aid is doing. Will the Minister of State give the House his own personal observations on the performance of Irish Aid and how taxpayers' moneys go to the people on the front line, not to the elites, in the countries in question?

Deputy Joe Costello: I have been to Tanzania and Mozambique which has given me the opportunity to see quite a number of our programmes. It is important to go out into the field to see how they operate. We have a very high quality list of programmes, particularly in the areas of health, education and agriculture. Our track record is regarded as second to none in the OECD assessment of overseas development programmes.

The recommendation of the Committee of Public Accounts was to establish a post of chief financial officer. Appointing one to deal with our various programmes is being looked at and I hope the Minister of Public Expenditure and Reform will be prepared to allow the appointment to take place.

The €4 million siphoned off in Uganda was paid back fully before Christmas and an investigation into the matter continues. Funding was taken back into the Irish account. The moneys will be used for the purposes intended to assist the poorest in Uganda and will not go through the Ugandan Government offices but through the Irish bilateral programmes and non-governmental organisations. We are anxious that the people of Uganda will not suffer as a result of what happened owing to the misappropriation of a certain amount of funding from the Irish Government, as well as from the Governments of Norway and Denmark. We are anxious to ensure lessons are learned.

The audit and evaluation unit visited the area in question to robustly deal with the issues involved before the other countries affected did so. We hope this lesson will be applied to all other missions. As I stated, our embassy staff met the Secretary General to discuss future safeguards. The Committee of Public Accounts' evaluation, with my visit to Mozambique, will be taken into consideration in considering the future direction of overseas development funding.

Deputy Brendan Smith: It was the Department's audit committee that recommended the appointment of a chief risk officer and a head of finance. The Minister of State said he hoped the Minister would look at the appointment of a chief financial officer. However, the Tánaiste and Minister for Foreign Affairs and Trade told us several months ago that this appointment process had already been set in train and that the necessary approval had been received from the Department of Public Expenditure and Reform. The Minister of State has not given us the impression that there is urgency attached to the appointment of a chief financial officer. It is a matter which should be dealt with as such.

At what stage is the proposed appointment of the chief risk officer, as recommended by the Department's audit committee? As Deputy Thomas P. Broughan said, there is a great need to assure the public that continues to be very generous, despite the many pressures on it, in its support of overseas development aid. It is important the message is sent that the investment of the taxpayer in overseas development programmes has been successful. We have heard of the great improvements the programmes have made to primary education and health facilities, etc. We all recognise much more needs to be done, but we need the message to be sent to the public that every cent is being put to good use and reaching the intended beneficiaries.

Deputy Seán Crowe: Many of us are very supportive of the work Irish Aid does in Uganda and of the life-changing improvements its work has brought to the Ugandan people, especially

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in the areas of education, health care and agriculture. This work is important to some of the most vulnerable people in the world. The Minister of State referred to producing the report by the summer. Is he referring to our summer? If so, we could be waiting some time by the look of the weather outside? Can the Minister of State give an indication of when it will be produced?

Many people are concerned about the impact of the suspension. Is anything happening to front-line services or to those working on the ground? The Minister of State indicated that the funding is no longer being channelled through the Ugandan Government but through the relevant NGO. In what way has this impacted on the delivery? Irish Aid has put several proposals to the Ugandan Government. Have these been acted on?

There has been an interesting development for parliamentarians. A group from this House has come together to consider options for various countries in Africa. Does the Minister of State believe that twinning and the development of other interests of Members with their counterparts in the DRC and other countries would be a positive development?

Deputy Joe Costello: The issue is being dealt with and has been dealt with urgently. The first thing I stated was that the Irish contribution was suspended by the Tánaiste immediately. A full investigation has taken place. There are matters before the courts. Several people will be prosecuted on matters relating to this issue in Uganda.

I emphasise that the finding was made by the Uganda Auditor General, an office that has been funded by Ireland to ensure that it is efficient. It has been efficient at the highest level, including the Prime Minister's Department. The work we have done to improve the quality of audit and evaluation within the country at the level of the Auditor General has been very effective.

We have a strong audit and evaluation network within a unit in the Department. In addition, all Irish overseas development aid funding is audited externally. These measures are in place and there is a strong audit capacity in place already.

We have taken on board what has been said by the Committee of Public Accounts on the matter and we have taken on board the lessons learned from Uganda. Now, a full audit is under way of all our programme countries in Africa. This is the audit which will be completed by the summer. There will be a report on the situation in each of the programme countries.

I realise Deputy Crowe is involved in the Association of European Parliamentarians for Africa, AWEPA. It is valuable that parliamentarians from Ireland bring their skills to bear in parliaments in countries in Africa where, often, democracy is more fragile than it is here. This is especially valuable in terms of good governance and good practices. It would be useful if more of our parliamentarians twinned with various committees and so on or visited the governments and parliamentarians there and assisted in that regard.

Deputy Brendan Smith: I wish to ask two brief questions.

An Ceann Comhairle: I am sorry. We are way over time. I used up all the time because there was a long reply.

Deputy Brendan Smith: We were not given the reply.

An Ceann Comhairle: I will give you a comprehensive reply.

International Agreements

8. **Deputy Olivia Mitchell** asked the Tánaiste and Minister for Foreign Affairs and Trade if it is envisaged that Ireland may soon agree a double taxation agreement with Taiwan in view of the fact that many of our trading partners from both the EU and elsewhere have already done so; and if he will make a statement on the matter. [15421/13]

9. **Deputy Olivia Mitchell** asked the Tánaiste and Minister for Foreign Affairs and Trade if he will respond positively to the invitation from the new EU ambassador to Taiwan to afford occasional space to the Irish ambassador to Tokyo in the EU offices in Taiwan to facilitate Irish attendance at the regular trade meetings held there by countries who have trade and diplomatic missions in the country; and if he will make a statement on the matter. [15422/13]

Minister of State at the Department of Foreign Affairs and Trade (Deputy Lucinda Creighton): I propose to take Questions Nos. 8 and 9 together and to make a statement.

Ireland, along with all EU partners, adheres to the one China policy and as a result does not have diplomatic relations with Taiwan. This does not, however, preclude the development of economic and trade relations. Ireland, together with our EU partners, sees the benefit of encouraging trade with Taiwan and will continue to explore all appropriate opportunities which arise.

A Taipei representative office, TRO, was established in Dublin in 1988. It has a representative function only in respect of economic and cultural matters. No political recognition of Taiwan is implied by its presence. The IDA had an office in Taipei, but closed it in 2011. Enterprise Ireland and the IDA currently manage their clients in China, including those in Taiwan, from their offices in Beijing, Shanghai, Hong Kong and Shenzhen.

As regards the EU representative in Taiwan, the EU has no formal diplomatic or formal political relations with Taiwan. The EU does recognise Taiwan as an economic and commercial entity and is represented by the European Economic and Trade Office, EETO, in Taipei, which was established in 2003. Exchanges take place in sectors such as research and technology, information society, education and culture, fisheries, the environment, climate change, intellectual property rights, and standards and norms. I would fully expect Government representatives travelling to Taipei on trade promotion and investment activities to liaise with the EETO and to welcome any assistance which might be offered by that office. However, I would not envisage any arrangement involving our ambassadors to neighbouring countries.

As regards the possibility of concluding a double taxation agreement, DTA, with Taiwan, I understand that this matter is currently being considered by the relevant Departments and agencies. Ireland has a double taxation agreement with the People's Republic of China, which entered into force in December 2001. Since the conclusion of the DTA with China, a separate agreement was agreed with the Hong Kong Special Administrative Region of the People's Republic of China, HKSAR, which entered into force in February 2011. However, the situation in Hong Kong is different from that in Taiwan, as Hong Kong has a separate taxation status. Under the "one China, two systems" approach, this status is specifically provided for in the basic law of the HKSAR which was adopted by the National People's Congress in Beijing in 1997. This was then promulgated by the then President of the People's Republic of China.

Deputy Olivia Mitchell: I am a little disappointed, in respect of Question No. 9, that there is no opportunity to allow our ambassador to avail of the opportunity being afforded to those

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EU member states that have diplomatic or trade missions in Taiwan. Our relationship with mainland China is precisely the same as those of the other EU countries, so I am unsure why this is felt to be a barrier to having an ambassador in the region attending trade meetings in Taiwan on a monthly basis. I have had representations from individuals and Irish business people living in the area who feel the opportunities available to other EU countries are not available to us.

I welcome the Minister of State's comment that we are open to a DTA agreement with Taiwan. I understand there are sensitivities with regard to our relationship with mainland China and that in the past this might have been a barrier to an agreement. However, the sensitivities between Taiwan and mainland China are not nearly as acute now as they were in the past. We all want some part of the trade with China, but getting any of it is not as easy as people might think. However, the door is open to increased business and trade with Taiwan. Business links between mainland China and Taiwan are increasing exponentially. Therefore, this opportunity offers a possibility for us to open the door into China. It would also benefit both Taiwan and Ireland. I would be very happy to hear progress was being made in terms of a mutual taxation agreement on trade, which would be of benefit to both of us.

Deputy Lucinda Creighton: The sensitivity with regard to neighbouring ambassadors concerns the issue of political recognition. Our policy has been and continues to be that this is something we are not prepared to do. Even when there has been ministerial engagement with Taiwan from other EU countries, it has been at a very low level. In fact, it is very infrequent. The vast majority of countries have not engaged at that level at all. It is a very sensitive area. We are treading a fine line. Our official position is that we recognise the "one China" policy. We have to differentiate. We are anxious to deepen and strengthen trade relations. When trade representatives visit Taipei, they use the clear EU infrastructure that is there. Obviously, there are always cost considerations and implications with regard to a decision like the double taxation agreement, which is under active consideration. I think that is an important step. I cannot pre-empt the outcome of the process of consideration that is under way with the stakeholders, including Enterprise Ireland, IDA Ireland and the Department of Foreign Affairs and Trade. It is important that it is under active consideration. I do not think anybody doubts the significance, in terms of potential, of the growth of this trade relationship. However, we need to bear in mind all the political sensitivities that exist.

Deputy Olivia Mitchell: I welcome our recognition of Taiwan as an economic and commercial entity. I ask the Minister of State to ensure we push the potential of this agreement to its limit.

Deputy Lucinda Creighton: It is fair to say that is the intention.

Nuclear Proliferation

10. **Deputy Clare Daly** asked the Tánaiste and Minister for Foreign Affairs and Trade if he will make a public statement calling on Israel to allow the same inspections of its nuclear programme by the International Atomic Energy Agency as it demands of Iran. [15624/13]

Deputy Eamon Gilmore: It is important to distinguish between the different circumstances of Iran and Israel, particularly with regard to compliance with the nuclear non-proliferation treaty, under which Iran asserts its right to nuclear energy for peaceful purposes. In doing so,

Iran has committed itself as it must not to engage in a nuclear weapons programme and to co-operate fully with the International Atomic Energy Agency's safeguards system as a means of verifying the exclusively peaceful nature of its programme. As it has failed to co-operate with the agency in this manner, it stands in breach of a succession of UN Security Council and International Atomic Energy Agency resolutions concerning its nuclear programme. In its February 2013 report on the implementation of the safeguards in Iran, the agency concluded that it is unable to provide credible assurance about the absence of undeclared nuclear material and activities in Iran or report any progress on the clarification of outstanding issues, including those relating to the possible military dimensions to Iran's nuclear programme. It is for Iran to answer the many legitimate questions the international community has asked regarding its nuclear programme and address the international community's concerns about possible military dimensions to that programme. I call on Iran to do so without further delay.

Israel is not a party to the nuclear non-proliferation treaty and has never officially declared itself to possess nuclear weapons. While the decision to accede to any treaty is a sovereign decision for each state, Ireland would like to see full universality of the treaty. We have repeatedly called on the remaining three states that have chosen not to accede to the nuclear non-proliferation treaty, including Israel, to do so as non-nuclear weapons states and to place all their nuclear facilities under comprehensive International Atomic Energy Agency safeguards. We have made these calls in all relevant international forums, through national as well as EU statements and through our participation in the seven-nation New Agenda Coalition, which was launched in Dublin in 1998 as a means of promoting greater progress on efforts towards a world free of nuclear weapons. The Deputy can be assured that we will continue to use all available opportunities to call on the three non-treaty states to join the treaty. The Deputy can also be assured that universal adherence to and full implementation of the nuclear non-proliferation treaty remain key foreign policy objectives for this Government, as they have been for all previous Governments.

Deputy Clare Daly: I am not surprised by the Tánaiste's answer. The position he outlined is incredibly disappointing for Ireland. In 1958, this country took the initiative that led to the nuclear non-proliferation treaty. It was a wonderful achievement at the time. In essence, the Tánaiste is saying a country that stays outside the terms of the treaty can basically get away with whatever it likes, whereas a country that signs up to the treaty subjects itself to international scrutiny. Despite what the Tánaiste has said, not a single shred of evidence has been produced to say Iran is manufacturing nuclear weapons.

In fact, there is much evidence to show the real objective is to stop Iran from developing uranium, an activity which it is perfectly entitled to do for peaceful means, provided it does so under the scrutiny of the IAEA, as it has done.

Israel, on the other hand, remains outside the treaty and has developed possession of at least 400 weapons, yet the United States has continued to pump in money, making Israel the largest recipient of US military aid despite it not being open to any scrutiny. If one was to follow the logic of the reply, what a country could do is pull out of the treaty and basically not be subject to any scrutiny whatsoever. It is not good enough to just say "Come on in. Join the treaty, lads". We should be publicly demanding that Israel adheres to the same standards it seeks to impose on Iran.

Deputy Eamon Gilmore: Let us be clear about Ireland's position in regard to nuclear weapons. Ireland has consistently sought a situation where the world is free of nuclear weap-

ons, and that is our consistent foreign policy position. There are two elements to that. First, we ask that all states join the non-proliferation treaty. I again call on those states which are outside it, including Israel, to join the non-proliferation treaty. Second, those states which have joined the non-proliferation treaty are obliged to comply with the terms of that treaty. This means they are entitled to use nuclear material for peaceful purposes for energy and so on, and while there is a debate about that, it is a different matter. However, they are entitled to do that only under the supervision of the IAEA.

A succession of IAEA reports have expressed serious concern regarding possible military dimensions to Iran's nuclear programme. This is why the situation of Iran is the subject of scrutiny and why the EU applied a regime of sanctions in order to persuade Iran to participate in the E3+3 talks and to have serious engagement about assuring the international community that its nuclear capability is not being used for military purposes.

Diplomatic Representation

11. **Deputy Timmy Dooley** asked the Tánaiste and Minister for Foreign Affairs and Trade the additional communications that have been held with Irish ambassadors since his re-call meeting of ambassadors in 2011; and if he will make a statement on the matter. [15586/13]

Deputy Eamon Gilmore: In fulfilment of the commitment made in the programme for Government, a two-day conference of Ireland's heads of mission abroad, entitled Promoting Ireland Abroad, was held in Dublin on 1-2 June 2011. The conference was designed to ensure the heads of mission were fully briefed on the Government's new approach to promoting and marketing Ireland as a country in which to do business. This was in order to strengthen their capacity to continue their ongoing work in support of the effort to repair Ireland's international reputation and it was an opportunity for the full team of senior overseas representatives, Irish business leaders and the heads of Irish economic agencies to share best practice in our international economic promotion activity.

The conference provided a valuable opportunity to renew the deep commitment of our diplomatic and consular representatives abroad to the challenging task of promoting Ireland's interests and restoring our country to its rightful position of global authority and respect. A clear outcome of the conference was the determination that a united front of our embassies, State agencies, business organisations and private companies, working closely together, constitute a powerful force for advancing our interests at this crucial period for the country.

Since then, the Ministers of my Department and I have continued to engage intensively and on an ongoing basis with all ambassadors and embassy staff in promoting Ireland and ensuring our international reputation is restored. Last month I had a video conference with some of our key EU missions to express my thanks and appreciation for all the efforts by missions on the promissory notes issue. We have availed of every opportunity to promote Ireland's interests, including those presented by trade missions, our chairmanship in office of the OSCE, preparation for and the ongoing Presidency of the Council of Ministers of the EU and the continuing work of building bilateral relations throughout the world. In this, I believe, we have been very successful.

I refer the Deputy to my Department's statement of strategy which sets out the challenges and opportunities from 2011 to 2014. In order to meet these challenges and to take advantage

of the opportunities, the Department has been reorganised along a more geographic basis, with new regional units having lead responsibility for managing relations and affording our missions abroad the opportunity for greater input in policy making and coordination. Each regional unit now leads the business planning process for missions within its area. Consultations on business plans take place at the beginning of each year during which heads of division and heads of mission set out their priorities in the context of the Department's overall goals for the coming 12 months. Such consultations are facilitated by video-conferencing. I assure the Deputy that engagement with our ambassadors and our missions continues throughout the year on an ongoing basis and at all levels to ensure the assets of the State are put to best use and give citizens the service and the value for money they deserve.

Deputy Brendan Smith: I thank the Minister for his reply. Will he outline the configuration of the regional units? I presume it is on a geographic basis and takes economic and political interests into consideration as well. As the Minister noted, over the years, there has been, quite rightly and understandably, very close co-operation between representatives of statutory agencies and the diplomatic staff attached to our embassies abroad. That is a very practical and necessary approach, be it the IDA, Enterprise Ireland or Bord Bia that is working closely with officials from the Department of Foreign Affairs and Trade in different capitals in particular.

In the odd instance, is it practical to consider assigning some diplomatic duties to personnel from statutory agencies where it is not possible to have diplomatic representation or staff and to have an even greater interaction between the duties and responsibilities of public service personnel? Perhaps Enterprise Ireland and the IDA do not have the resources or need to have a full-time official or officials in a particular location. Similarly, the Minister faces the challenges of trying to cover many areas. Is there scope to consider assignment of duties in practical situations to other members of the public service who are not necessarily members of the Department?

Deputy Eamon Gilmore: Deputy Smith asked me to outline the lead units in the Department. The Europe division is the lead unit for all 29 bilateral missions in Europe, as well as the permanent representation of Ireland to the European Union and the mission to the OECD and UNESCO. The Anglo-Irish division is the lead unit for 12 missions in the US, Canada, the UK and Australia, as well as the British-Irish Intergovernmental Secretariat in Belfast and the North South Ministerial Conference in Armagh. The development co-operation division is the lead unit for ten missions in Africa and the embassy and aid programme in Vietnam. The Middle East unit is the lead unit for five missions in the Middle East, including the embassy in Cairo. The Asia Pacific unit is the lead unit for seven missions. The Latin America and Caribbean unit is the lead unit for three missions. The political division is the lead unit for four multilateral missions to the United Nations, the Organization for Security and Co-operation in Europe and the Council of Europe.

Deputy Smith raised the possible use of representatives from other Departments and State agencies who are abroad. I am examining how we might get a better overall use. If one takes the totality of those representing Ireland abroad, be they diplomats from the Department of Foreign Affairs and Trade, representatives from individual Departments who have a particular representational role in some countries and areas and representatives of agencies, one can see we need to get a more co-ordinated and overall representation abroad. It is something we have been considering in the context of the Export Trade Council which has brought together not just my Department but representatives from other Departments and State agencies to co-ordinate and to give a single focus to our trade and investment strategy abroad.

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Deputy Maureen O’Sullivan: I have one question relating to our ambassadors in African countries. The statistics relating to rape are frightening and appalling. According to statistics, a rape occurs every 48 seconds in the Democratic Republic of Congo. Can our ambassadors to certain African countries make representations to the governments concerned about the behaviour of their armies? While certain militias are responsible, there is no doubt that the national armies of certain African countries are also involved as a result of the lack of standards.

A significant human rights lawyer has been arrested in Zimbabwe. I ask if the Irish ambassador to South Africa could be present for her trial, because this could be very effective.

Ireland does not have an embassy in Iran, although our trade with Iran is growing. I ask the Minister to consider opening an embassy in that country.

Deputy Seán Crowe: I agree with the Minister. There is general agreement in the House with regard to greater co-ordination. I ask the Minister to provide further information on the business plan for the group of embassies. Is the business plan designed to support trade only? The difficulty may be that separate agencies such as Bord Bia and IDA Ireland are under the remit of different Departments. These are different fiefdoms and it would make sense if the ambassador to a country was the line manager. This would ensure greater co-ordination, rather than allowing people to pull in different directions. When does the Minister intend to introduce that plan?

Deputy Eamon Gilmore: On the issue raised by Deputy O’Sullivan and the horrendous reports of rape in a number of countries, Ireland takes a very active interest. Where necessary, our ambassadors and embassies undertake work in this regard. I discussed the issue recently with Michelle Bachelet, executive director of UN Women. We also have a very strong position on United Nations Security Council Resolution 1325, which addresses the issue of the impact of conflict on women. It is a matter of great concern.

It is our policy to have country teams which bring together the embassy and the different trade agencies. The country teams, which are headed by the ambassador of each country, report back to the export trade council on the co-ordinated activity that is under way. I refer to some excellent examples such as the establishment in some countries of Ireland House, in which all the agencies are under one roof and work in close co-operation with each other.

Ireland has a relatively small footprint internationally but there is significant potential for growth in trade and attracting investment. There is also increased demand for consular services, as more Irish people are travelling to a range of countries, and for visa applications from people wishing to visit Ireland. I have been looking at how we can make the best use of the Department and the agencies in the context of Ireland’s representation abroad, in all its facets, in a more co-ordinated and integrated way. I hope to bring proposals to the Government in the not-too-distant future.

An Ceann Comhairle: I will allow the Minister to reply to Question No. 12 from Deputy Crowe, but we will not have time for supplementary questions.

Common Foreign and Security Policy

12. **Deputy Seán Crowe** asked the Tánaiste and Minister for Foreign Affairs and Trade his

views on the reported position of the French Government, in relation to the reform of the European External Action Service, that there is a need to reinforce the EEAS's security and defence expertise; and if this was discussed at the informal meeting of the EU's Foreign Ministers in Dublin on 22 and 23 March. [15513/13]

Deputy Eamon Gilmore: Ireland is taking an active interest in the EEAS review, which was also the subject of discussions at the informal meeting of EU foreign Ministers which I co-hosted with the EU High Representative, Baroness Ashton, in Dublin last weekend. We support a strong European External Action Service that fulfils the vision set out in the Lisbon treaty of an effective and coherent EU foreign policy. The EEAS has achieved much in its first two years of operation. The review of the EEAS, combined with the imminent publication of the joint EEAS-Commission communication on the comprehensive approach, provides a good opportunity to strengthen the coherence and impact of the Union's external actions.

The Common Security and Defence Policy, CSDP, as set out in the Lisbon treaty, is an integral part and operational arm of the Union's Common Foreign and Security Policy. The EEAS plays a central role in planning for and launching civilian and military CSDP missions. While the issue of CSDP expertise within the EEAS was not specifically addressed by Ministers in our discussion last weekend, it would be the view of most, if not all, member states that the EEAS should possess the necessary expertise to effectively perform the functions assigned to it, including in the field of CSDP. EU member states agree on the need to analyse and streamline the EU's current procedures for responding to crises. At the same time, member states will wish to remain closely involved in decision-making relating to the deployment of individual CSDP missions, particularly as it is they who will be supplying the personnel involved.

Written Answers follow Adjournment.

An Ceann Comhairle: I thank the Tánaiste. Pursuant to the Order of the House today, the Dáil is adjourned until 2 p.m. on Tuesday, 16 April 2013. I wish you all a very happy Easter. I hope you all get your Easter eggs.

Deputy Lucinda Creighton: I hope the Ceann Comhairle receives his too.

An Ceann Comhairle: Maybe some of us might get more than one.

The Dáil adjourned at 5.45 p.m. until 2 p.m. on Tuesday, 16 April 2013.