

SEANAD ÉIREANN

Dé Céadaoin, 12 Bealtaine 2010.
Wednesday, 12 May 2010.

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Paidir.

Prayer.

Business of Seanad

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

The need for the Minister for Justice, Equality and Law Reform to clarify the reasons for the significant increase in the number of people within the legal profession who are participating in the free legal aid scheme as outlined in the most recent report.

I have also received notice from Senator Pearse Doherty of the following matter:

The need for the Minister for Finance to bring forward proposals that will see an end to the application of vehicle registration tax in the State.

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

Order of Business

Senator Donie Cassidy: The Order of Business is No. 1, statements on the Common Agricultural Policy post-2013, to be taken at the conclusion of the Order of Business and conclude not later than 5 p.m., if not previously concluded, with the contributions of spokespersons not to exceed 15 minutes and those of all other Senators not to exceed ten minutes, on which Senators may share time, by agreement of the House, and with the Minister to be called upon ten minutes before the conclusion of the debate for closing comments and to take questions from spokespersons and leaders, and No. 32, Private Members' motion No. 16 re code of conduct for civil servants in the acceptance of outside appointments, to be taken at the conclusion of No. 1 but not before 5 p.m. and conclude not later than 7 p.m. The business of the House shall be interrupted between 1.30 p.m. and 2.30 p.m.

Senator Frances Fitzgerald: Newspaper reports today indicate that Ministers have been instructed to find €3 billion in cuts for the forthcoming budget. What criteria will be used in making these decisions? I raise this matter in light of the fact that front-line services are being affected. I refer Senators to the main letter in today's edition of *The Irish Times*, which was written by the mother of an autistic boy who attended Beaumont Hospital a few days ago. She

[Senator Frances Fitzgerald.]

states she is appalled that 52 beds are being closed in the hospital and describes as follows her experience of bringing her autistic son to its accident and emergency department:

My severely autistic son was brought in with a lump of chicken lodged in his gullet. He was labelled emergency. Having sat in a wheelchair from 9pm on Tuesday, May 4th until 11am on May 5th, he was finally ... taken to theatre for surgery to remove the blockage.

This is the recent experience of a woman whose son was in an emergency. It is critical, therefore, that the House discuss the approach that will be taken to the Government's planned cutbacks. Front-line services are under extreme attack and people are highly concerned.

Yesterday, the Ombudsman for Children published a report showing how services are continuing to fail children. On the Order of Business yesterday, Senators also discussed the church response to the protection of children. We must also examine the State's response to the protection of children. A number of reports have been laid before the Houses. We now have the report issued by the Ombudsman for Children and a further report on the Health Service Executive which Deputy Alan Shatter placed in the Oireachtas Library. I ask the Leader to ensure the House has a debate on these issues.

On a number of occasions, Senator White has raised the lack of discussion of and failure to implement the recommendations of the McCarthy report on quangos as well as the lack of structural reform. Where will the proposed cuts be made? Will the most vulnerable be affected? Can the House have some input into decision making on the budget and cuts amounting to €3 billion which are apparently being sought?

Senator Joe O'Toole: While I strongly support the approach taken by Senator Fitzgerald, we need to engage with the facts. To do so, the Minister for Finance should first have a conversation with the Seanad about exactly where we stand, the budgetary outlook, his requirements, revenue predictions, growth and the budgetary preconditions to be met before we enter the Estimates process. Rather than beginning with a row on the issues which Senator Fitzgerald correctly raised, let us get our hands dirty by engaging with the facts and identifying what must be done and what is our view of it can be achieved. We should not begin the process with an argument as we can argue later about who caused the current problems. Before the Estimates process and pre-budget presentations, discussions and arguments commence, we should offer our views on what needs to be done and how it can be achieved.

There is also good news, such as, for example, the decline in bond coupons for Government debt, an increase in retail sales figures and recent growth predictions. We must acknowledge where we are, what needs to be achieved and how it could be achieved. Rather than doing this through the front pages of the newspapers, it should be done through real engagement in the House. The Seanad could add something to this debate.

Time and again, Senator Bradford has raised the need for the House to engage with the views of people outside the political process — the social partners for want of a better description. The argument that social partnership removes the authority or input of Parliament is based on a premise that is nothing more than a bottle of smoke. The belief that were it not for social partnership, the Government would suddenly start to engage with Parliament is false. That has never been the case with regard to the relevant issues and will probably never be the case. We should begin a process of engagement.

Senator Alex White: I agree with the previous speakers. While I am an optimist by nature, for the past two or two and a half years many Senators have called for this type of a quality debate but no steps have been taken in that direction. I am afraid I am rapidly becoming a

pessimist in relation to the attitude taken towards this Chamber by the Government. This is unfortunate because I would much prefer to remain an optimist. We should make suggestions and by all means subject the views of the Government parties and of the Opposition parties to real scrutiny, analysis and cross-examination. Let us have this type of exchange and debate, including engagement with outside groups and individuals in so far as that can be arranged under Standing Orders.

It appears, having viewed the approach taken by the Government parties to the possibilities that could be inherent in the contributions of Senators O'Toole and Fitzgerald, that a decision has been made not to introduce any kind of radical change to the manner in which this House does its business. Unfortunately, I believe this decision has been taken somewhere and we have to deal——

Senator Donie Cassidy: That is totally incorrect.

Senator Alex White: We will see if anything happens because nothing has happened.

Senator Donie Cassidy: That is completely untrue.

An Cathaoirleach: Please allow Senator White to continue without interruptions.

Senator Alex White: If there is to be a debate across the Chamber, will we be allowed to interrupt the Leader when he concludes the Order of Business? I never interrupt him. It is interesting to note the new approach he is taking but if that is what he wants, he can have it in spades. He is not interested in having a real debate.

Senator Donie Cassidy: The Senator can do whatever he likes. I have been getting this for two and a half years.

An Cathaoirleach: Senators who raise matters with the Leader on the Order of Business may not be interrupted by anyone.

Senator Alex White: In respect of something the House can do, I listened yesterday to many colleagues commenting on the statement made by the Archbishop of Dublin. While people have every right to comment on the issue, as to what the archbishop meant and so forth, I did not choose to engage on the matter because it is one for the archbishop and the church. I am interested, however, in what we, as parliamentarians, can do in a practical sense to change the system of child care, especially child protection. The House should definitely debate two recently published reports, namely, the report of the Ombudsman for Children published yesterday which makes real and practical suggestions as to how change could be brought about in child protection as opposed to merely talking about it, and a report issued two weeks ago by the Government's special rapporteur on child protection, Mr. Geoffrey Shannon.

To give an example of what I meant with regard to the relevance of the Seanad and the attitude taken towards it, on a recent radio programme my fellow contributors asked me if Mr. Shannon's report had been debated in either House of the Oireachtas. I was informed it had not been debated. It is extraordinary that individuals who have been appointed by the Government to important positions in the area of child protection have produced reports which the House does not even discuss. Let us make a start in rendering this House relevant by discussing the two reports in question. If necessary, let us have the authors before the House to take questions and debate with Senators who may be able to assist in bringing about real change on these issues.

Senator Dan Boyle: While I agree that the House needs to hold regular debates on budgetary strategy and the state of the economy, I do not accept that this is a process that takes place in the dark. The Budget Statement made by the Minister for Finance in December set out clearly how the €3 billion adjustment would be addressed. The House should examine how this matter is being progressed on an ongoing basis. At least €1 billion of the adjustment will be achieved through reduced capital expenditure, with much of the remaining €2 billion will be considered in the context of taxation measures, possibly by extinguishing many of the reliefs that remain in the system. It is incorrect, therefore, to argue that cuts of €3 billion are on the agenda.

I also agree that we need to use the House as a forum to engage with the social partners. However, this may not be the best time to do so because we are in the middle of process arising from the Croke Park agreement. If that process proves successful, we should move towards having such an engagement because it would put to good use the functions and powers of the House.

We should have a debate on the report of the Ombudsman for Children. We had a discussion on the reappointment of Ms Emily Logan and there was universal acclaim for the work she had been doing and a belief she should continue in office. Part of the logic in having that debate was that we should reinforce that work and put in place further resources and better standards to ensure child protection.

We should note but not exaggerate the events that occurred outside Leinster House last night. The right to protest is paramount in a democracy, but we should always be wary and never encourage those who want to use violent means to express that right. If there are persons who engage in that practice regularly, we should put up a flag to say this does not constitute democracy in Ireland and that this is not how we should be developing our right to protest.

Senator Fidelma Healy Eames: There are many mixed messages coming from the Government. It claims that we are on target and do not need an early budget, yet the Minister for Finance has given his Cabinet colleagues four weeks in which to find €3 billion in cuts. What is that, if not a budget? I am appalled. This week 1,000 parents of intellectually disabled young people in Galway received a letter from the Brothers of Charity, in which swingeing cuts of €2.5 million were outlined. This will result in the closure of two residential homes and the lumping together of people with disabilities, in spite of what was stated in a human rights report about abuses that had happened in such instances. Now charging people for day services is being looked at and notice has been given to families in Galway that there will be a cut of 45% in respite care next year. Such care provides a lifeline for the parents concerned. All of us in this House know young people with disabilities.

An Cathaoirleach: Does the Senator want a debate on the issue?

Senator Fidelma Healy Eames: I have a request to make of the Leader. I am appalled that the Minister for Health and Children, Deputy Harney, and the Minister of State, Deputy Moloney, know about this. Will the Leader assist me and the families of people with disabilities in asking the Minister and the Minister of State to roll back on these indiscriminate cuts, pull back from the moratorium in place in the disability sector and protect front-line services for people with disabilities?

I would also like to comment on the courageous words of Archbishop Martin yesterday. He is finding strength to keep alive the debate on sin inside the church, an issue which could easily go underground again. The Pope made a grave admission yesterday, that the greatest threat to the church was posed by sin within it. The church has to face up to this, but there is also sin within the State. We need a debate on the report of the Ombudsman for Children on the need for the child protection guidelines to be placed on a statutory footing.

Senator Ivor Callely: I have listened with interest to the comments of colleagues on front-line services, an issue I have raised time and again with the Leader. I call for a debate on the service provider, namely, the HSE. All political groups in the Houses signed up to the setting up of the HSE. I have expressed my reservations clearly. The Department of Health and Children allocates the budget and the HSE provides the service plan, but in recent weeks and months there has been a breakdown in communication between middle management and the executive of the HSE. We now learn that budgetary constraints are being introduced, as referred to by Senator Fitzgerald, in places such as Beaumont Hospital.

I congratulate the Irish Heart Foundation and Pfizer Pharmaceuticals for the terrific campaign they have led on strokes awareness, part of which involves acting quickly, early intervention and rehabilitation. However, it will all fall flat if we do not have support services in place to follow up on the good work being done by the Irish Heart Foundation and others. We should have a debate in the Chamber with those charged with the responsibility of delivering health services in order that we can get a handle on what is required to implement the service plan for 2010. We should look at the feasibility of introducing appropriate regional structures to provide for a democratic local input.

Senator David Norris: I welcome the decision of the European Investment Bank to make a loan of €500 million available for the development of metro north. This is a very positive move which I think the House will welcome, especially since the idea was originally given legislative form in this Chamber. It is important that we do this now because the money will be comparatively cheap, labour will be secured at a reasonable cost and the project will provide desperately needed employment. I am very pleased that this is happening.

Senator Boyle referred to the disturbances that took place outside Leinster House last night. There is much justifiable anger and pain among the public and among all sections and supporters of all parties which needs expression. It is regrettable, however, that a small number of people, some of whom, according to radio reports, were wearing balaclavas, tried to take control of the initiative. I was supposed to speak at the meeting. I spoke at the press conference and have no regrets for having done so. I attempted to get out but found that I was locked in. I asked the officials if it would be of any help if I went outside to say a few words to try to calm things down, but they said they did not think it would help——

(Interruptions).

An Cathaoirleach: Please, Members.

Senator David Norris: I accepted their advice. I went back to my office and cleared my desk. My participation was not important but the event was. I listened this morning on radio to Vincent Browne who felt the response of the gardaí involved had been proportionate. A woman said she had attended many demonstrations and had always been impressed by the behaviour of gardaí. They had always been friendly, helpful and protective of the women and children involved. She had been horrified to see gardaí being attacked, beaten and punched and their hats thrown on the ground. It was not a very serious affray, but it was dangerous. A woman said she would have liked to have got in to pull the Minister, Deputy Harney's hair out or something like that. Such behaviour is not appropriate. I understand there will be further marches and hope I will have an opportunity to speak at them. I hope, however, that the organisers will provide for efficient marshalling because while there needs to be a public venting of anger, it should be done in an orderly way so as not to degrade democracy in this country.

Senator Jim Walsh: I support the call for a debate on pre-budgetary issues. We should do this in advance of the summer recess. As we are still borrowing somewhere north of €22 billion

[Senator Jim Walsh.]

to meet expenditure in the current year, there are serious issues involved. There is a growing trend in the black economy that people are happy to work for €5 or €6 an hour and still draw social welfare payments. That undermines legitimate employers who are trying to comply with the law. We need to look at over-regulation in matters such as the minimum wage. If it feeds into unemployment, we should examine the issue intelligently. I cannot see any valid economic reason we should pay far more than any other state in Europe.

That is not sustainable and ultimately it will retard any economic recovery we might have. The real conundrum in all this is that should the US economy decline next year we will all be affected by it. The global background will be a very significant issue as to our recovery. I agree with Senator O'Toole and others who have said that there are positive indicators that would lead to the hope — maybe more than a hope — that we are on the road to recovery, but we need to be very mindful of the risks and to manage it in a prudent way. The recent issue in Greece has illustrated very clearly for any naysayers the wisdom of the approach being taken by the Government and the Minister, Deputy Brian Lenihan, in particular. If other countries had followed that, perhaps the recent global difficulties would not have occurred.

11 o'clock

Senator Jerry Buttimer: The Senator is rewriting history in a very negative way.

Senator Paul Coghlan: I strongly agree with the remarks of Senators Fitzgerald and O'Toole about the €3 billion we have read about this morning and about which the Minister, Deputy Brian Lenihan, has been in contact with his colleagues. If this is not a budget — perhaps it is not — what is it? We in this House, as do those in the other House, have a clear entitlement to understand and know about the process. The Minister has a duty to come in and update us on the budgetary situation, including the outlook as he sees it. This is vital in order to restore confidence in the economy, which we are all trying to help in our different ways.

As regards the social partners, I also strongly agree with Senator O'Toole's comments. This House could very suitably get engaged with hearing those outside voices and channelling all that thought in a structured way. Following on from that, we all want to see an improvement in credit flow for businesses. NAMA is now advancing finance for some necessary completions in various parts of the country to people with impaired portfolios. How will we ensure that the suppliers in those instances have a protection akin to that they would have if they were dealing with receivers and liquidators? That is very important because of the indebtedness of these people with impaired portfolios. There will need to be control over that because NAMA is advancing millions of euro in different cases for these necessary completions. I am sure that with his businesses background, the Leader will appreciate the importance of having something proper in place.

Senator Terry Leyden: Today and yesterday have been very historic days. I ask the Leader of the House to send our best wishes to the new British Prime Minister and the Deputy Prime Minister, Mr. Nick Clegg, MP, the leader of the Liberal Democrats, with which the Fianna Fáil Party is aligned in the European Parliament and the Council of Europe. I happen to be vice president of the party in the Council of Europe.

An Cathaoirleach: The Senator's position is not relevant to the Order of Business.

Senator Rónán Mullen: However, the Senator does not agree with everything they say.

Senator Terry Leyden: I wanted to put it on the record that we form a group. The Fine Gael Party—

An Cathaoirleach: The Senator should ask questions of the Leader.

Senator Terry Leyden: It is appropriate that after 65 years there is a coalition Government in Britain. I thank Mr. Gordon Brown, MP, for his work for Ireland and I wish the new British Government well. Our Leader should convey that to the new British Government. I just wanted to point that we have a little link through the Fianna Fáil Party with the new Government in Britain.

Senator Fidelma Healy Eames: That will doom it.

Senator Maurice Cummins: The weakest link.

An Cathaoirleach: No interruptions, please.

Senator Terry Leyden: I support the Garda Síochána in its work last night. It is very unfair that certain elements incited people to try to storm the Bastille last night, which was unsuccessful, thanks to the diligence of the Garda Síochána, whose members are on the front line at every protest. I am delighted that Senator Norris did not get out, because it was bad enough before he got out and it would have been worse if he had got out.

An Cathaoirleach: That is not relevant to the Order of Business. It is not appropriate to make comments across the floor about any other Member. I am not allowing that.

Senator Terry Leyden: A certain correspondent in *The Irish Times* was certainly inciting the riot last night.

An Cathaoirleach: This is not comedy here. This is serious in this Chamber.

Senator Terry Leyden: It is serious when people are rioting outside the House.

An Cathaoirleach: The Senator should not be commenting on anybody.

Senator Terry Leyden: It is very serious when Fintan O'Toole is inciting them.

An Cathaoirleach: I ask the Senator to resume his seat.

Senator Phil Prendergast: I became a Member of this House in September 2007 and every week since then there has been an issue relating to the HSE. We have had debates and legislation. We have dealt with issues such as autism, accident and emergency departments, waiting lists and curtailment of services. Senator Healy Eames detailed this morning how the intellectually disabled sector was being disadvantaged in Galway. We have talked about reconfiguration processes, and children with special needs and children with different diseases who need help but are losing SNAs. We have talked about all the issues that show how the HSE is not functioning.

It has now been stated that because there is going to be a shortage of junior hospital doctors when the changeover occurs on 1 July, certain services will be cut again. This is reconfiguration by the change that has happened regarding how doctors register here and how visas are allocated. Already we know that a crisis has been identified. I want the Minister to come to the House to discuss what she is doing about that. What services will be affected and where? What has it to do with reconfiguration? How can the two be separated?

Senator Ann Ormonde: The report of the Ombudsman for Children has now been published. I scanned it this morning and it represents a golden opportunity for this Chamber to discuss the lack of auditing of child protection services. There is no connection between the various

[Senator Ann Ormonde.]

agencies. Local offices do not have proper procedures. There is lack of co-operation between the HSE and the Garda. There is no uniformity of services. We have a golden opportunity to debate this issue in all those areas. While I compliment the Minister of State, Deputy Barry Andrews, on having brought about ongoing reform, there is no uniformity. It seems to be doing extremely well in some pockets but not in others.

Senator Frances Fitzgerald: The Senator's party has been in government for 13 years.

Senator Fidelma Healy Eames: That is the Government's responsibility.

An Cathaoirleach: No interruptions, please.

Senator Ann Ormonde: The report presents an opportunity to discuss the matter on all levels. This issue has come up several times in all its different forms. We should have ongoing debate and not just one next week in order to establish how the agencies are not working and how we can get the services. It is not an enormous task. The report should be implemented and the issues should be aired in this Chamber

Senator Jerry Buttimer: I join Senator Fitzgerald in asking for a series of debates on the pre-budget submissions. Yesterday's edition of *The New York Times* had a very good piece opposite the editorial page which suggested that the tooth fairy is dead and we are now engaging in a period of root canal politics. It was a very good piece of journalism because many unpalatable choices are being faced and will not be easy for people to digest. Last night we had the manifestation of the public's anger at the Government's failed policy. While I do not support violence or thuggery, the people have a right to vent their frustration. Just because we live in a bubble inside Leinster House does not mean we should lose our sense of reality. Hundreds of thousands of our fellow citizens are struggling faoi bhrú under pressure every day, some of it made by themselves but the majority made by bad economic decisions taken by Government. It is important for the Members opposite to recognise that cutbacks hurt the old, the poor, the handicapped and the sick. Fianna Fáil used a similar slogan in 1987. In 2010 it is absolutely relevant to the ordinary people.

An Cathaoirleach: Does the Senator seek a debate?

Senator Jerry Buttimer: I seek a debate. More importantly I am seeking the removal of the Government from office.

Senator Camillus Glynn: The Senator can dream on.

An Cathaoirleach: The Senator can have that debate if the Leader agrees.

Senator Jerry Buttimer: The debate will be a help in highlighting the failed policies. Even in this House we cannot move mountains but we can help to shift policy.

Senator Fidelma Healy Eames: We can help to shift people.

Senator Jerry Buttimer: It is incumbent on the Minister, Deputy Lenihan, to go before the people in a state of the nation address, be honest and tell them the facts, not lies and hiding behind figures. He should tell the people the truth.

Senator Paschal Mooney: The one thing the Minister for Finance cannot be accused of is telling lies, either politically or personally. He has outlined the position in great detail and has

been honest and straightforward with the people in regard to the Government's budgetary and economic policy.

I am sure all sides of the House wish to ask the Leader to convey the very best wishes of this House and of the Irish people, first, to Gordon Brown and his wife and children, wishing them well in the future and thanking them for the major contribution they made to British-Irish relations. It is not so long ago that the Prime Minister, Mr. Brown, and the Taoiseach spent long nights in Belfast to ensure the peace process continues. We should not lose sight of that.

In welcoming and wishing well to the new Prime Minister, David Cameron, and his Deputy Prime Minister, Nick Clegg, it is instructive to remember the historical legacy shared by all sides of this House in that it was a Liberal Government under Gladstone that introduced the Home Rule Bill in the 1880s. A Liberal Government under Asquith in 1910 put forth the Home Rule Bill which sadly was scuppered, ironically, by the then Tory leader. It is instructive that we have strong historic links with the Liberal Party, now the Liberal Democrat Party.

I join those who asked for a debate before the summer on economic policy and I support much of what Senator Walsh said. Those of us who were present yesterday at a meeting of the Fianna Fáil Parliamentary Party——

Senator Maurice Cummins: We were not invited.

Senator Paschal Mooney: ——heard the new Minister for Enterprise, Trade and Innovation, Deputy Batt O'Keeffe, outline job strategy for the future. I understand——

Senator Jerry Buttimer: Is that about keeping your own jobs or about jobs for the people?

An Cathaoirleach: Please.

Senator Paschal Mooney: It was a response to the unfounded allegations that this Government does not have a jobs strategy.

Senator Jerry Buttimer: It is a pity you do not have a plan for the rest of the nation.

An Cathaoirleach: Members, please.

Senator Paschal Mooney: In light of the demonstration last night, I, too, agree with what people on all sides of the House have said regarding the great anger that exists. Of course there is anger if one has lost one's job and has no reason for getting up in the morning. However, this Government is working positively on this——

An Cathaoirleach: I call Senator Quinn.

Senator Paschal Mooney: If one wishes to read the economic indicators and believe them——

Senator Jerry Buttimer: Spadework.

Senator Paschal Mooney: ——the economy has turned a corner. Confidence is returning, both generally and among consumers, manufacturing output has increased in the past 18 months——

Senator Jerry Buttimer: What about unemployment?

An Cathaoirleach: Time, please, Senator.

Senator Paschal Mooney: The international bond markets are totally committed——

Senator Jerry Buttimer: What about the unemployment figures?

Senator Paschal Mooney: ——and have supported the economic and budgetary strategy of this country.

An Cathaoirleach: The Senator's time is up.

Senator Paschal Mooney: I do not see why the allegation should continue that the Government has no job strategy.

Senator Maurice Cummins: Those are the facts.

Senator Paschal Mooney: We must give hope to the people of this country. This Government is providing that hope.

Senators: Hear, hear.

Senator Feargal Quinn: I urge the Leader that when we have that debate on finance and economic policy we do not spend our time looking back but instead look forward.

Senators: Hear, hear.

Senator Feargal Quinn: If this House is under threat, as it is, it is in our own hands to earn respect, regard and our future. That means we should talk about action, what we are going to do and what should take place rather than merely look to the past. I offer a particular case, one that Senator Walsh has brought up on several occasions. It jolted me when he drew our attention to the cost of the various tribunals and the length of time they are continuing. I have not spoken about this in the past because it seems to me that very often those who speak on it have some kind of vested interest, as can be understood. The Flood, now the Mahon, tribunal has lasted since 1997, some 13 years, as has the Moriarty tribunal. Before that there was a beef tribunal and a bar tribunal. There have been so very many.

One can look at how they handle these affairs in the United States. There is a very interesting book, *Illinois Justice*, about a tribunal presided over by a Judge Stevens to inquire into bribery allegations in banking some years ago. The judge said he would undertake this on condition that he could determine the final date to be six weeks hence and that he would not extend that date. He did it, starting in mid-June and finishing by the end of July with a conclusion.

There are other ways of doing this. There is the example of the Committee of Public Accounts some years ago which moved, got action and earned respect. If we are going to earn respect in this Chamber we must do something to ensure we deserve it.

Senator Niall Ó Brolcháin: There is anger outside and inside this House, rightly so in both cases and we must acknowledge that. I join Senators Boyle, White, Ormonde and others in calling for a series of debates and initiatives on child protection. As a group of people, the Seanad can make a serious contribution towards child protection. In the same way as the Seanad took the issue of head shops and ran with it in a significant way with success, I would like to see people from all parties working on the area of child protection. It is crucial and probably one of the most important aspects of our society.

The Green Party would like to see the children's referendum happening as soon as possible.

Senators: Hear, hear.

Senator Niall Ó Brolcháin: It is in the programme for Government and we all must push for it. The difficulties in bringing it forward must be resolved and that is up to all parties. It is important that we all get together to ensure the referendum takes place.

As other Senators have so done, I refer to the protests that occurred outside the Houses last night. The Leader of the House and I were in the lobby of Leinster House and saw what was going on. There were very few politicians in the House last night and I do not know what on earth the people would have done had they broken through. There was a very small number of them.

The anger is palpable but there is politics behind it, too. There are people who purport to be anti-war yet they use methods of violence to put forward their cause which I see as highly contradictory. We must be wary about this. We saw what happened in Greece where people were killed. We must keep an eye on this matter in this country. Violence can be used for political ends. It has been done in the past and this is not something we can tolerate.

Senator Eugene Regan: I join in the call for a debate on the economy and the job creation strategy of the Government. We are coming out of a deep recession. We have problems in the public finances and an extraordinary level of unemployment. The situation is that the Government's policy to date has been, as the Taoiseach put it, to write any cheque that was necessary to save our banks. That policy has led us into a situation where there is an issue about the capacity of the State to borrow and to continue and sustain the public finances as they are.

Reality has bitten with the Greek and the more generalised bailouts. It is imperative that the Government should outline its clear budgetary strategy to get our public finances in order. We need the detail. There must be consistency in that policy. As I mentioned yesterday, there was an announcement in the budget on pension reform in regard to which there was a U-turn last Friday. These inconsistencies are what Europe will watch if it is to continue to support the funding of the public finances in this country.

There is an issue, too, about our enterprise and job creation policy. The budget of Enterprise Ireland has been cut by 40% this year. Grants for the maintenance of jobs in enterprises which are export oriented have been cut by 70%. I do not discern a clear economic strategy in the case of the public finances or in job creation. I urge the Leader that we debate this matter in order that the Minister can give clarity on these important issues.

Senator John Hanafin: I share in the calls for a debate on the resolution of our finances. I am clear, as is the Minister, that there will be cuts in spending followed by budgetary measures to raise money. That is clear and has been spelt out to the EU which insisted we get our finances in order. It has given us until 2014 to do so and we are very successfully on track to do that.

It is worth noting, and we should be thankful for it, that the cost of raising money abroad has fallen significantly. To put it in context, we are now paying 4% to 4.5% for moneys abroad but were paying 16% at a time when our debt was more than 100% of gross domestic product and when unemployment and inflation were both 18%. We have turned a corner, as has been recognised by the Opposition this morning. It is time for confidence to return and for us to speak confidently.

With that in mind, is it not time that we called a spade a spade and said that what happened last night was idiotic, an inane attempt to ape what is happening in Greece? We saw the logical conclusion of anarchy on the streets in Greece when three people were burnt alive in a bank. What happened last night was unacceptable but everybody and anybody who incited people in any way to do that bears a responsibility.

Senator Rónán Mullen: Many of us commented yesterday on what Archbishop Diarmuid Martin had to say but why is it that when the church fails people, it is people who are to blame, but when agencies of the State such as the HSE, the Garda or Departments fail people, it is the system that is to blame? Why is it that we reach different levels of outrage depending on which group is culpable?

Senator Alex White is absolutely right in that we ought to have a debate in this House on the report of the Ombudsman for Children and Geoffrey Shannon's report on child protection. If this House was operating in a functional — as distinct from dysfunctional — way we would have an announcement that these reports will be taken in two weeks, with Seanadóirí having the opportunity to do their research in order to come here with constructive responses on what those reports have to say about child protection among State agencies and church bodies. We would comment without fear or favour and contribute to the policy making process in this country. I ask the Leader for such a debate in a couple of weeks.

Another area in which we need a debate is on the report from the Forum on End of Life in Ireland. There is a great debt of gratitude owing to the Irish Hospice Foundation for the excellent work it does in hospice-friendly hospital care. I was honoured to be asked to take part in one of the sessions in the forum and the report has been published today. We should read this report and I intend to bring forward a Private Members' motion on the need to develop hospice-friendly hospital care.

We should consider the statistic that 76% of people die in emergency room settings but 5% of the cases are trauma-related. We are not getting it right if we are to consider people's aspirations in meeting their end. They want to be able to die at home with all that is necessary if possible. We are not reaching that standard in Ireland. The Irish Hospice Foundation is to be commended for driving us on and we should have a debate on its report.

Senator Brian Ó Domhnaill: I welcome the two-pronged approach being taken by the Government against head shops. Overnight and today the approach taken is being welcomed up and down the country in general, and certainly in my constituency, where we were not alien to the difficulties of head shops and the menace they pose to society. There was a recent case of a schoolchild being exposed to the dangers of those products. The authorities appear to be welcoming the steps, as I do, and I hope the enactment of the required legislation will occur as quickly as possible to combat these outlets.

I acknowledge what has been said by the Opposition and many Members on what is the current economic position of the country. Ireland is turning a corner and as a young person and public representative, I believe we have an obligation as legislators to lead by example and send out the clear message that we have hope in this country. We should send out a signal of confidence.

Senator David Norris: Hear, hear.

Senator Brian Ó Domhnaill: Consumer spending is increasing, according to figures, and Davy Stockbrokers has indicated that there was economic growth in this country in the first quarter. The ESRI is predicting almost 3% growth this year and that will develop to approximately 5% in 2012.

We have to take the austerity measures that have been outlined. The Greeks did not take those measures and as a result they are experiencing significant difficulties. If we had not taken the measures contained in the 2010 budget we would be in the same position.

Senator Donie Cassidy: Hear, hear.

Senator Brian Ó Domhnaill: Is the Opposition, and Senator Buttimer in particular, saying that the right approach would have been not to take such measures because they were unpopular? Governance is not about being popular but it is about delivering and turning the country around. That is what is happening and I fully support that approach.

Senator Joe O'Reilly: At the outset I make the point that it is important for nobody in the House to make any reference to last night's events outside these gates in any ambivalent fashion or in such a way as to give substance or support for those actions. It was blatant thuggery, which is unacceptable, and the staff of the Houses and the Garda Síochána should be congratulated in their curtailment of it. No words spoken in the House by any Member should be slightly ambiguous about it. What happened was a disgrace.

Senator Eoghan Harris: Tell that to Senator Buttimer.

Senator Joe O'Reilly: I am sure he is equally committed to the objection to it. The significant failure of budgetary and economic strategy to date in this country is the absolute failure to make any real attempt to create jobs. We are missing the big picture and with the finite nature of fossil fuels and the cost of oil, there must be an emphasis on job creation through green energy. There can be job creation through wind, tidal and hydro power. There are certain costs for these initiatives but the cost of oil is such that any money invested in green energy will get an economic return and create jobs.

We must have a full debate over a couple of days on the economy and specifically on job creation. It is a disgrace that so many people are without work and losing jobs by the day but we do not have incorporated into policy job creation strategies and initiatives. I welcome the opportunity to have the debate, in which I will put forward my party's plan to create 100,000 jobs over three years through the establishment of an economic recovery agency. We will never achieve economic recovery without jobs to generate wealth in the country.

Senator Labhrás Ó Murchú: The disturbance at the gates of Leinster House last night is a reminder of how much we owe the organised trade union movement in this country. The leadership — I salute the comments of Mr. Jack O'Connor in recent times — and the provision of a voice to people who are angry because they have lost jobs or are under very severe pressure has been the right way to approach the crisis we are experiencing. As we know, the disturbance last night will not provide a single job.

It is important for us with a platform on a daily basis in this Chamber to point out the positive actions of recent times. The stance of the trade union movement is important and the contribution made in particular by Fine Gael has been vital with regard to the Croke Park agreement. That should not be underestimated.

I listened a radio programme this morning, most of which was given over to exhorting people to stay in Ireland and spend their holidays here. That is what we need currently. There has been a sea change in the media; looking back we will find a more responsible attitude at present. Any of us in the Chamber could read out at least four major statements coming from Europe indicating that Ireland is tackling the present economic crisis in the right way. One country in particular indicated it could learn from Ireland's actions.

Putting those positive elements together we can compare them to the position which existed at the beginning of the recession. There was doom and gloom at the start but we are turning the corner at this time. We should not overstate last night's disturbance, which was very regrettable; it is not right for gardaí to find themselves in that position. However, if we overstate it, we will only provide oxygen to those who prefer agitation to expression of discontent.

Senator Eoghan Harris: Senator Ó Murchú was correct to say we should not overstate yesterday's demonstration. It was valuable, in that it threw into sharp relief the behaviour of the mass of the Irish people. We should take more pride in the fact that what is probably one of the greatest structural crises we have ever had is being dealt with by the people. Apart from two sets of demonstration — one by the old age pensioners and another by public sector unions — Irish democracy proceeded with steadiness and a lack of hysteria and posturing. We are dealing with the crisis. CAB is about its work, as are the Government and the people.

We were not stampeded into posturing, which is what yesterday was about. Had that small minority of infantile disorders got into Leinster House, what did they propose they would do? Would they have beat up the catering staff or the ushers? What was it but, as Senator Hanafin acutely observed, posturing? This is not the business of serious socialists. Serious socialists have work to do. They must organise, campaign, write pamphlets, agitate, join the Labour Party or a radical party or whatever. They should not posture and mimic the activities of the French and the Greeks. It was going through the motions. If one wants to know the model of a serious socialist, one should study the life of Gordon Brown. He was a serious socialist.

Senator Maria Corrigan: Will the Leader arrange for the Minister for Health and Children to attend the Chamber to discuss our childhood vaccination programme? I welcome the recent roll-out of the cervical cancer vaccine, but will the Minister discuss with the House the uptake of early childhood vaccinations and indicate to us the incidence of recent outbreaks? In the past number of months, there have been reports of measles and mumps outbreaks. Last year, there was an outbreak of whooping cough. Such outbreaks illustrate that we may no longer have herd immunity. This has considerable implications for us, in that we will unnecessarily face the threat of child deaths and acquired intellectual disabilities, all of which can be avoided. Will the Leader arrange for the Minister to appear in the House as a matter of urgency?

As to the issues raised regarding child protection, Senator Mullen referred to the need for a debate on the two reports. I am concerned by the constant call for debates. I would be happier were action taken. I understand the importance of learning from and considering reports, but we need to focus on action. The House could examine and insist on the practical steps that could be taken. For example, we could end the exemption from inspection of residential facilities for children with disabilities and non-national children. We could also ask Archbishop Diarmuid Martin to name the dark forces of which he spoke yesterday. We could take many actions that would have nothing to do with debates on the reports.

Senator Camillus Glynn: We all appreciate that, in the current economic climate, many people have needed to take a reduction in wages, including Members of the Houses, the public service in general and the private sector. However, strong evidence suggests that some employers have used the recession to reduce working hours and staff pay unfairly. I have been made aware of a particular instance in which not only have payments on certain days been cut, namely, bank holidays and Sundays, but the people concerned are earning less than €70 per day. This is outrageous. We all appreciate that pain must be taken and everyone within reason has taken his or her share, but some employers are stepping beyond the mark. I call on the Leader to invite the Minister for Enterprise, Trade and Innovation, Deputy Batt O'Keeffe, to the House to debate the situation. I have information that I will pass to the Minister because this situation must be tackled. We all appreciate that we must tighten our belts. Tightening a belt is one thing, but asphyxiating employees is not right and must stop.

Senator Donie Cassidy: Senators Fitzgerald, O'Toole, Alex White, Boyle, Healy Eames, Cally, Walsh, Coghlan, Prendergast, Buttimer, Mooney, Quinn, Ó Brolcháin, Regan, Hanafin, Ó Domhnaill, O'Reilly and Glynn outlined their serious concerns to the House regarding the

various matters highlighted this morning. I remind colleagues that the Croke Park agreement will be before the House for our consideration all day tomorrow. I wish to inform the House of an all-day debate next Wednesday at which the Minister for Health and Children will be present and during which all matters relating to health policy and the operation of the HSE will be discussed. Colleagues will be pleased to hear this.

To my knowledge, whenever there have been calls for debates on published reports, I have always allowed for them. Arranging for debates in which colleagues could make their views known was a pleasure and a privilege. I would not like any Senator to believe that any serious report was not given enough time to be discussed. As to today's calls on me regarding certain reports, I will endeavour to have them considered in the House in the coming weeks.

Concerning the newspaper article in respect of the €3 billion in reductions next year, only four months of trading have passed in the current budget and a trend will emerge in the next four months. The projections are for a little growth this year and 3%, double the EU figure, next year. These are difficult times, as evidenced by what the airline industry is experiencing. I congratulate RTE and Ryan Tubridy on their efforts this morning to promote Irish tourist attractions. I hope Irish people will stay at home and, in the national interest, support an industry that employs hundreds of thousands of people in the services sector.

The Bill relating to the changes in funding to Greece will be before the House on Thursday of next week, so colleagues will be able to make their views known to the Minister for Finance then.

Senators Alex White, Boyle, Healy Eames, Ormonde, Ó Brolcháin, Mullen and Corrigan referred to the report of the Ombudsman for Children, Ms Emily Logan. Senator Ormonde discussed a lack of child protection. I will put the various concerns raised this morning in the diary for consideration during the coming weeks.

If a Senator feels strongly about any issue, Private Members' time is available. Those of us who are members of the Committee on Procedure and Privileges know that we can propose changes at any time. I look forward to the Minister deliberating on and making his opinions known regarding party and group proposals on Seanad reform. As I informed the House last week, the draftsman is busy working on a local government Bill. I ask colleagues and party leaders in particular to be patient. Work will progress. As Leader and under the Cathaoirleach's stewardship as Chairman of the committee, I will give my support to whatever is required to enhance the proceedings of Seanad Éireann. We must let the people know the positive work undertaken by the House daily.

Senators Ó Brolcháin, Boyle, Norris, Hanafin, O'Reilly, Ó Murchú and Harris referred to what happened outside the gates of Leinster House last night. Another Member and I saw everything that took place. I hope these are once-off events. I was surprised by the reaction of one or two commentators in the media. I congratulate the ushers and the members of the Garda Síochána who were on duty for the absolutely professional and first-class way in which they dealt with the situation. Four separate attempts were made to gain access to the plinth but each was rebuffed. The Garda Commissioner, the Superintendent and the Captain of the Guard in Leinster House can be proud of their staff in this regard. Footage of the incident is available to anyone who wishes to see it. Some 30 or 40 individuals who were coming up Molesworth Street with the main body in what seemed to be an organised demonstration — similar to those which one can see outside every day — turned left, came around through Setanta Place and proceeded up Kildare Street to the gates of Leinster House.

Senator Callely referred to front-line services, the delivery of general health services, budgets, etc. As stated, there will be an all-day debate on Wednesday next on matters relating to health and the HSE. I agree with the Senator in respect of the great work the Irish Heart

[Senator Donie Cassidy.]

Foundation has been doing for tens of years. I admire the wonderful people who have worked alongside the foundation in such a dedicated fashion. I also agree with the sentiments the Senator expressed in respect of stroke awareness. All of these matters can be discussed on Wednesday next.

I join Senator Norris in welcoming the €500 million, a huge amount of money, in EU funding that has been allocated for the metro north project. This is terrific news for people on the northside of Dublin and those who use the airport. Those who live on the city's north side have richly deserved a project of this nature for many years.

Senator Coghlan referred to the operations of NAMA. Members are aware that every person whose property portfolio has gone into NAMA will be given the opportunity to present the agency with a business plan within four to six weeks.

Senators Mooney and Leyden suggested we should send best wishes to Mr. Gordon Brown, MP, and his predecessor, Mr. Tony Blair, for all the work they did during the British Labour Party's 13 years in office. The island of Ireland has been transformed by the peace process that has been in train for those 13 years and in which Mr. Brown and Mr. Blair played a major part, for which we thank them.

I also send congratulations to Mr. David Cameron, MP, the new British Prime Minister, and his deputy, Mr. Nick Clegg, MP. I wish them well in the challenges they will face in the years ahead. They are taking over at a difficult time and will be obliged to take some hard decisions similar to those that have been taken here.

Senator Quinn stated that in any future debates on the economy we should look forward. He also referred to the tribunals. In that context, No. 32 on the Order Paper, Private Members' motion No. 4, in the name of Senator Walsh and others states:

That Seanad Éireann, in light of the exorbitant fees being charged by Senior and Junior Counsel, calls on the Government to introduce a Maximum Fees Order, of not more than €969 per diem for Senior Counsel, and, €646 per diem for Junior Counsel ...

I am endeavouring to reach agreement with the leaders of the various groups on an all-party motion to the effect that the Seanad should lead the way in respect of how tribunals should operate in the future. I will arrange a meeting, either tomorrow morning or later this afternoon, with the various leaders in order to discover whether it might be possible to agree an all-party motion on the serious challenge the State faces in respect of the cost of tribunals. Different tribunals have been in operation at various stages during the past 13 years. When they were established, we were informed that their work should be proceeded with as a matter of urgency. What is meant by the word "urgency" is stretched to the limits when one considers that one of the tribunals has been sitting for the entire period to which I refer. The leaders of the groups must come together, as they did in respect of head shops, in order to formulate a suitable motion. This will show that the Seanad can make a major difference. I will discuss the matter with the leaders and return to the House with news on it in the coming days. I understand the proposal made by Senator Walsh has the support of the vast majority of colleagues in the House.

Senator Mullen requested that time be made available for several debates. In addition, he offered his congratulations to the Irish Hospice Foundation, particularly in the context of the report on end-of-life care. I am a major supporter of the foundation's work. My wife, family and I have championed its cause in the north Westmeath area for many years. We did everything we could with a heart and a half. I will provide colleagues with ample time to make their views on the report known to the Minister.

Senator Rónán Mullen: I thank the Leader.

Senator Donie Cassidy: Senator Ó Domhnaill welcomed the closing of head shops throughout the country and congratulated the Taoiseach, the Minister for Health and Children, Deputy Harney, and the Minister for Justice, Equality and Law Reform, Deputy Dermot Ahern, who yesterday placed before Cabinet details of the forthcoming Bill on the matter. The legislation will be brought before the House prior to the end of the current session.

Senator O'Reilly requested a debate on the economy, job creation and green energy commitments. As he will be aware, I have already given a commitment in this regard.

Senator Corrigan requested a debate with the Minister for Health and Children on the childhood vaccination programme. The Senator who has major experience and expertise in this field made a number of strong suggestions which can also be discussed with the Minister during the debate on health next Wednesday.

Senator Glynn outlined his serious concerns regarding moves by certain employers to reducing the pay of their staff to a level that was almost on a par with the minimum wage. I agree with the sentiments expressed by the Senator. The Minister for Enterprise, Trade and Innovation has agreed to come before the House at an early stage to discuss employment matters such as job creation, as well as the other policy areas relating to his portfolio. I will endeavour to arrange a debate on this issue in the coming weeks. Order of Business agreed to.

Common Agricultural Policy: Statements

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I am delighted to have the opportunity to initiate the debate on this important matter, namely, the future of the Common Agricultural Policy after 2013. Senator Carty requested such a debate some time ago. This is a very important issue for Ireland, as it will set the context and many of the conditions for the development of Irish agriculture in the years ahead and we need to demonstrate a strong and unified position on the issue. I will begin by outlining the background to and context for the debate on the future of the CAP after 2013. I will then summarise the main issues arising and the developments that have taken place to date. I will also share with the House the Irish view on the matter.

Negotiations on the CAP after 2013 are taking place against the background of an EU budget review and a new EU financial perspective for the period 2014 to 2020. The budget discussions will have a major influence on the amount of funding available for the CAP and the distribution of funds between member states. There will be competing pressures for funds, including strong pressure from some sources for a smaller share of funds for the CAP, both as a share of the budget and in absolute terms. Even though formal discussions have yet to commence on the future EU budget, the pressure already is building in this regard. An early draft Commission paper from November last advocated major policy changes and lower funds for the CAP. It is an early draft but it clearly indicates at least one strand of thinking on the future.

Another new factor in the forthcoming discussions on the future of the CAP is that they will be subject to full co-decision by the Council and the European Parliament. It will make for a more open and democratic process but will be a learning experience for everyone because it is new. Already, the European Parliament is active in these negotiations and a recent draft of an own-initiative report generated approximately 782 proposals for amendments. Clearly the interest and attention of the European Parliament will be fully engaged as negotiations progress.

As to the timing of the negotiations, a formal communication from the Commission is expected towards the end of this year with legal proposals foreseen for the middle of 2011. A

[Deputy Brendan Smith.]

first round of formal negotiations will commence on the communication, leading possibly to the agreement of Council conclusions, while the more intense phase of formal negotiations will commence once the legal proposals are tabled. Parallel with this process, the negotiations on the EU budget after 2013 are expected to get into full swing later in the year, again with formal legal proposals in mid-2011.

Although formal negotiations will not commence until later this year, there has been a high level of activity on the subject of the future of the CAP over the past two years. The French, Czech, Swedish and Spanish Presidencies have organised policy debates on the general aspects of the reform and on the specific strands of the future policy on direct payments, rural development and market management measures. These policy debates have illustrated the complexity of the issues and the diversity of views among the 27 member states. It is telling that Presidency rather than Council conclusions were agreed under the French and Czech Presidencies as unanimity could not be achieved. Moreover, the Swedish and Spanish Presidencies did not attempt to obtain agreement on Council conclusions. In addition to the formal policy debates by EU agriculture ministers, there has been a large number of bilateral and other informal meetings and contacts and a substantial number of position papers have been produced by member states, stakeholder organisations and research authorities.

I am conscious that a broad orientation and direction for the future CAP will emerge during this informal phase of negotiations and with that in mind, my Department and I have been fully engaged in this informal process. I met the new Commissioner for Agriculture and Rural Development, Dacian Ciolos, shortly after his appointment and we will have further discussions later in the year. I also had meetings with my colleagues from some of the other member states. In this regard, Ireland was one of a group of 22 like-minded member states that signed up to a declaration in Paris in December last on the importance of a strong and properly resourced CAP in the future. Ireland was one of the leading member states in putting together that document. In addition, at official level we have had contacts and discussions with colleagues in other member states and with the Commission. The Department also has conducted a substantial amount of in-house analysis on issues primarily related to the single farm payment and this work is continuing.

I also have been engaging widely on the domestic front to ensure we in Ireland develop a strong and unified position with regard to these negotiations. I launched a public consultation process in July 2009 and sought stakeholders' views on the policies that would serve Ireland best in the years to come. I was pleased with the number and quality of the submissions received and I will use them to inform the Irish position on these negotiations. Almost 60 submissions were received and they contained a strong emphasis on the need for a robust and well resourced CAP in future to meet food security needs and preserve family farming in Europe. There was a marked preference for retaining direct payments but I noticed differences in emphasis that ranged from retaining the current historical model to updating reference periods and moving to flatter differentiated rates. There was some support for focusing payments more towards the delivery of public goods, including the environment, high nature-value farmland, cultural heritage and animal welfare, but this must be balanced against corresponding calls to maintain and index-link the current regime. There was almost universal opposition to modulation and to co-financing of core EU support payments and there was some support for payment ceilings and for confining payments to active farmers. A number of stakeholders called for re-coupled payments for vulnerable and strategic sectors and there was a good deal of support for the introduction of grassland payments. There also was a strong emphasis on the need to retain adequate market support mechanisms and for an additional mechanism to address increased price volatility. I believe that is an issue to which we must attach increasing importance.

Following this initial consultation process, I recently established a consultative committee to advise me on the CAP after 2013. The committee is comprised of all the major farming and agriculture-related representative organisations involved in social partnership, as well as a number of academics and it will hold its first meeting next week.

The Commissioner for Agriculture and Rural Development, Mr. Ciolos, already has launched a public consultation process providing an opportunity for all stakeholders and any interested party to give their views on the future of the CAP. The Commissioner has posed a number of high-level questions intended to focus discussion on the broad social benefits of the CAP, as well as the specifics of the reform. My Department has written to interested stakeholders in this regard, advising them how to participate in this consultation process and encouraging them to do so to ensure that Ireland's voice is heard at every opportunity. Commissioner Ciolos will host a conference in July to discuss the findings from these consultations. I take this opportunity to encourage as much participation as possible in this process. Members, through their work at constituency level and in this Chamber should encourage people to participate as much as possible when they have the opportunity to put forward their own viewpoints. The Commissioner has accepted my invitation to visit Ireland and that meeting is now scheduled to take place in September. I look forward to impressing on him the firm Irish view that there must be a strong and properly-funded EU agriculture policy after 2013. I will be involved in the all-party Oireachtas committee on agriculture and rural development for that visit and I hope the Commissioner will be in a position to meet and address it.

Having set out the context, background and recent developments in the negotiations, I wish to deal with the main issues that are emerging and to explain the Irish position regarding these issues. As regards the general orientation of future policy, there is good support among European Union agriculture ministers for a strong and properly resourced CAP after 2013. This was the main conclusion of the aforementioned meeting of the group of 22 like-minded European Union agriculture ministers in Paris in mid-December. My over-arching view is that I am conscious of the importance of ensuring security of food supply and maintaining family farming in Europe. However, particularly as Ireland is an exporting country, I also am conscious of the need for competitiveness and innovation and all these points should be reflected in the future CAP.

Full decoupling has been a success for Ireland and I remain committed to that approach. The continuation of a strong decoupled direct payments system is fundamental to stabilising farm incomes at times of market volatility. Decoupled payments remain the best way of underpinning the incomes of small family farms, while allowing them to respond to market opportunities. It is important to recognise the linkage between the income stabilisation role of direct payments and the market stabilisation role of our current market management measures. Staying with market supports, existing market support tools are appropriate and I believe there is broad agreement on this point among member states. One must retain the capacity and flexibility to react promptly and effectively to market instability and price volatility. The need for such measures was evident during 2009 in particular, when one reflects on the difficulties faced by the dairy sector. The application of intervention and aids to private and public storage in the dairy sector during 2009 illustrated the usefulness of these measures in contributing to market recovery and stabilisation, albeit at very low prices. These mechanisms should remain in place. I believe that, while they may require some adjustment, for example, in terms of periods of application and volumes, they are pitched at safety-net level at present and should remain available after 2013.

In addition to the current market supports, there is an increasing emphasis on risk management mechanisms and close examination of the possibilities offered by such measures is

[Deputy Brendan Smith.]

required. Ireland does not possess much experience of insurance systems and consequently is cautious about the benefits of establishing EU-wide insurance regimes.

Our main concern is that the diversity of production systems and range of risks across the 27 member states are too wide to accommodate a single EU-wide scheme. Therefore, I would like to see a suite of options available to member states to use at their own discretion within funding limits. There is also a need to address increased market volatility and we must have effective mechanisms to manage this. We should consider the potential usefulness of new additional tools to combat increased market volatility. In that regard, it might be worthwhile to consider in more detail the mechanisms used by other countries such as the US, particularly those concerned with underpinning farm revenue or income. I am not suggesting that we immediately adopt similar measures in the EU but we should certainly examine them to see whether they would deliver benefits on the EU market. I also want to ensure future policy continues to recognise and reward the high standards that apply to agricultural production in the European Union. Above all, this policy must be simple and not encumbered by unnecessary bureaucracy.

In summary, I want a CAP in the future that is based on the twin goals of competitiveness and sustainability, that is simple to justify to EU taxpayers, simple for farmers to understand and operate and simple for member states to implement and enforce. There is good support from the Agriculture Council for my position on the general direction of the CAP and I am encouraged by this.

With regard to the last few remarks, the agricultural community in general at Government level and at representative organisation level throughout the European Union has failed to get the clear message across to the citizens of Europe at large that the 495 million citizens of the European Union are all beneficiaries of CAP with regard to food security and the provision of public goods. We often read simplistic national media commentary that the Common Agricultural Policy is only about support for the farming community. It is not, rather it is about supporting all the citizens of the European Union. That is a message the new European Union Commissioner to anxious to get across to enable us to strengthen our case to ensure we retain our share of the budget.

The single biggest issue now emerging is the amount of funding that will be available after 2013 in view of pressures to reduce the EU budget and the share going to agriculture, specifically Irish agriculture. The key context for Ireland is food supply and sustainable management of natural resources, including climate change. We need a coherent approach to this based on the family farm structure. There is good support for the Irish position, namely, that we need a strong and properly funded CAP after 2013, and I will continue to press this point in the negotiations.

There is also pressure from the new member states for redistribution of funds in their favour. They believe that the use of the reference period 2000 to 2002 to calculate payment levels militates against them. They have called for abolition of the historic model and the application of flatter rates of payment across the European Union. They and others take the view that the further in time we move from the reference period, the less credible the historic model becomes. I am prepared to look at all options on this, but I will also require our partners in Europe to be equally realistic in their expectations. A debate which focuses solely on the distribution of direct payments without any reference to other EU funding would not be balanced.

Ultimately, the distribution mechanism must be fair and must underpin the goals of competitiveness and sustainability. However, fair does not necessarily mean equal. Any new mechanism

must take into account the wide diversity of farming between member states. Pillar 1 direct payments are income supports and we must recognise that the cost of living and cost of farming vary widely throughout the 27 member states.

There is some tension between those who see a primary purpose of the CAP as being that of a guarantor of food security, income supports and EU family farming and those who see the function of the future CAP exclusively as a supplier of environmental and other public goods. It is clear there will be renewed emphasis on the delivery of public goods in the CAP of the future. There are positives for Ireland in all of this and we should not shy away from the debate. However, we must be vigilant at all times to ensure this does not come at the expense of the income support function of the direct payments system.

Many of our partners in Europe are now questioning the credibility of the historic basis of direct payments. The starting point for Ireland is that we see no compelling reason to change from the current historical model for determining single payments. We see the historical model as having a distinct advantage in linking the payment with level of farming activity, albeit activity in the 2000 to 2002 period. That having been said, it appears that Ireland is in a very small minority of member states that hold this view and we need, therefore, to be open to looking at alternative models that might command the support of a larger number of member states but would be beneficial to our country. While I am prepared to look at the alternatives, especially if other countries move from the historic camp, there is a need, however, to find a basis that is acceptable and fair to all member states and that meets our objectives of improved competitiveness and sustainability.

There are no concrete proposals as yet on this matter but it is clear that most member states, including ourselves, are carrying out analysis to determine which system might suit us best. From our analysis so far, we know that Ireland would lose out under a simple EU-wide flat rate by nearly 20%, based on current European Union single payment scheme funding levels. We also know that movement to a regional or national flat rate in this country, based on our current national envelope, would broadly have the effect of shifting funding from farmers in the east to the west and from cattle fattening and tillage farms to cattle rearing and sheep farms with little change on dairy farms. It is clear that there is a long way to go in this debate and that we will seek to have the option to maintain our current system and, failing that, to ensure there is a fair and equitable division of funds that supports family farm incomes in Ireland and allows our farmers to get on with the business of farming.

The positioning and status of rural development funding will be an issue, including whether elements should be integrated with cohesion-regional policy and whether the current structure with three axes of competitiveness, environment and diversification remains relevant. The new challenges identified in the CAP Health Check, namely, water management, bio-diversity, climate change and bio-energy, will again feature and there will be a greater emphasis on measurable outcomes. The core purpose of rural development policy is to support farmers in developing their productive capacity while securing the environment and ensuring the well-being of the wider rural society.

I support the continuation of a two-pillar structure. Our recent revised rural development programme shows a clear focus on competitiveness in the form of targeted investments and sustainability in the form of a new agri-environment scheme with clear benefits for all. This points the way forward for that pillar. Axis 1 measures, particularly those directed at investment and which promote competitiveness, perform a pivotal role in encouraging efficiency and innovation in farming for the future. These measures are critical to the future of Irish and European farming and should be maintained and enhanced.

[Deputy Brendan Smith.]

It is very early days in these negotiations and we have a long way to go before the final outcome emerges. For me, the important issue is that we are well prepared and that we speak coherently and consistently with a unified voice. The negotiations ahead will be very difficult but I am determined to ensure the best possible outcome for Irish agriculture. I do not need to remind Members of the importance of agriculture to the Irish economy. It is our biggest indigenous industry and we have much to gain from a successful outcome.

Senator Paul Bradford: I welcome the Minister and thank him for being present. I and many of my colleagues on both sides of the House have sought this debate for a number of months because we recognise, as the Minister fully does, the importance of this debate, the necessity of getting, in so far as is possible, a broad consensus on what the Irish negotiating position should be and to try to succeed at Brussels level, first, in securing sufficient funding for Irish agriculture and, second, in attempting, and it is to be hoped succeeding, to distribute that funding in the fairest possible way.

The Minister spoke in his concluding remarks about the need for Ireland to speak coherently, with which I very much agree. That is the reason it is necessary to achieve some balance and consensus in our approach. The Minister spoke about the need to do so with a unified voice. While it would be pleasant if we could achieve this quickly and effectively, it is, perhaps, not possible to do so. We must be realistic, given the range of views, opinions, choices and alternatives being presented, not alone by farming organisations but also countrywide. On this occasion we need to listen to everybody. The loudest and strongest voice is not always correct. It is important the Minister is in a position to take with him to Brussels an overview of the thinking of every farmer and farm family on these proposals and how they wish to see him representing their views and concerns.

On where we should be attempting to move to, I suggest we should be seeking what I describe as the blessed trinity of the three Fs — food production, food quality and farm families. That is what this debate should be about and what we should aspire to achieve. We must be able to assure not alone the people of Ireland but also the people of the European Union that the package, when agreed, be it in 2011 or 2012, will secure adequate food production on the continent of Europe, that it will be food of the highest possible quality — it is imperative in today's environment that food is of the highest quality — and, from an Irish perspective, that we will put in place an agreement that will keep farm families active and as the cornerstone of Irish agriculture.

The one dramatic change on the agricultural map of Ireland since our joining the European Union in 1973 has been the huge reduction in the number of farm families. In a sense, this is part of the price of progress. I can safely say that when I entered politics, there were a number of dairy farmers in every townland. Now there is possibly only one in most townlands. If this trend continues, we will arrive at a situation in ten, 15 or 20 years time where there will be only one dairy farmer in each parish. The same applies to beef farmers and the tillage sector. Pig farmers have almost disappeared, while the sheep sector is under pressure, notwithstanding the arrangements the Minister recently put in place. We must aim high in attempting to ensure we maintain as far as possible the highest number of farm families.

When attempting to sell and defend the concept of the Common Agricultural Policy, it is necessary that we reflect a little on from where it has come. The policy was put in place on the continent of Europe in the aftermath of the Second World War when the population of western Europe was virtually starving. It was a time when there was not enough food being produced for the tables of Europe. The primary purpose of the original policy was to give to the peoples of Europe a solemn commitment that they would never again suffer food shortages. In this

regard, the policy has been a success. Since its introduction, there has been an abundant supply of food across the Continent. We have also been able to produce a surplus amount which we have been able to export, creating jobs in the process.

There is a fallacy which dominates some of the debate in the press on the Common Agricultural Policy in terms of the cost of supports for agriculture. When one reflects on the fact that the cost of the policy amounts to approximately 0.5% of the entire GDP of the European Union, one can submit extraordinary value for money is being obtained. We are putting on the tables of Europe food of the highest quality and safest standards at a competitive price. Today the average family spend on food as compared with that in 1973 when Ireland joined the European Union is significantly less on a percentage basis of family income. The Irish and European consumer is getting excellent value as a result of the farming policies put in place under the policy which has secured food supply and assures us that there will be no food shortages in Europe, all of which is done at minimal cost to the European taxpayer. The big spin-off, notwithstanding the disappointing drop in the number of farm families, is that farming in this country and across the continent of Europe continues to employ tens of thousands, perhaps millions, of people. The spin-off in the agri-industry is enormous. This is what the Minister and his colleagues must focus on as they continue to debate the future funding of European agriculture.

That the European Parliament will have a significant role in the negotiating process creates a new political arena. Traditionally, in the negotiations at the Council Prime Ministers and Ministers for Agriculture make arrangements in smoke-filled back rooms. That was how business was conducted and how politics and European arrangements were decided. Now, under the more transparent political system put in place as a result of the Lisbon treaty, the European Parliament will co-decide how agriculture is to be funded in the future. This presents significant new opportunities and challenges, as it is no longer a question of satisfying 27 Ministers and Prime Ministers but of reaching an agreement that will garner the support of almost 800 MEPs from the west of Ireland to the Urals. It will be a difficult task to put together a package that will satisfy all contrasting demands. I appreciate, therefore, that the Minister is facing a serious task, in regard to which we want to work with him. My colleague, Deputy Creed, stated in the other House that this was a green jersey issue, on which we will all work with and for the Minister to secure the best possible deal for Ireland.

Fine Gael has held a number of public meetings across the country on the issues involved. I held such a meeting in Fermoy a number of weeks ago and was pleased when hundreds of people turned up to listen to outside speakers discuss the various options. Another meeting was held in Charleville on Monday night, to which the same applied. Farmers and farm families are anxious to part-take in the debate, offer their views and hear the Minister's. The Minister is facing a serious challenge, but there are also opportunities and choices. Unfortunately, however, we will not be able to arrive at a solution that will make everybody happy, as there are many strands of opinion across the country on direct payments, reference years, allowing new entrants into agriculture and modulation, all of which are tough issues, in respect of which it will undoubtedly not be possible to make everybody happy. We must ask ourselves what should be our aspirations and what funding and programmes should be achieved at the end of the negotiations. As I stated, it is crucial that the issues of food quality and production and the retention of farm families remain top of the agenda.

How does one travel this journey? The historical payments system is supported by many of our constituents who benefit from it and wish to see it retained. The Minister has couched his language in terms of his thinking on the issue. I am aware that his official position and, to the best of my knowledge, that of Fine Gael is that we should fight to retain the current system. However, we must be realistic and truthful. It appears Commissioner Ciolos and many others

[Senator Paul Bradford.]

have indicated that the current system and payment method are not alone up for review but also change. If that is the political message from Brussels and a decision in this regard has already been made at that level, we will need to show flexibility in the policies we advocate.

Our first task — it will be a major one — is to secure the strongest possible national envelope of money. If my figures are correct, we benefit from a sum of approximately €1.5 billion per annum in direct payments and approximately €1.8 billion in total. Our bottom line must be that we secure that level of funding. We must also concern ourselves with the political pressure being applied to introduce co-financing which we must strongly resist because we know our economic situation is far from being as strong as we would wish it to be. We know in regard to the REPS and other EU programmes under which co-funding is required, we may not be in a position to submit the matching funds. Co-funding of agricultural grants and support mechanisms could be disastrous for Ireland and in so far as is humanly possible we have to try to keep away from it.

I need not tell the Minister that step one is to maximise the budget, which will be difficult. The politics of the issue with the input of MEPs could pose certain problems in that regard. I take some consolation from a recent survey of public opinion conducted throughout Europe which indicated that the view of farming and farm families and the need to support farmers under the Common Agricultural Policy was at an all-time high on the continent of Europe. There was a time in the late 1970s and 1980s when the concept of funding for agriculture was seen as a big negative at European level and there was a wrong impression that virtually all European funds were going towards supporting agriculture. Now the European consumer knows better and the value of the European taxpayer's investment. It is significant that this Europe-wide poll showed very strong support for a continuation of the assistance made available to agriculture. I hope this will make slightly easier our task of trying to secure the strongest possible national envelope. Once it has been secured — I hope it will at least be at the current level — we must discuss distribution. Support must be maximised for those actively engaged in farming, particularly farm families. We must also ask ourselves what we can do to assist those who, owing to being in the wrong place at the wrong time, do not benefit from historical payments. What about farm families who receive virtually no assistance and may have a son or daughter who wishes to carve out a future in Irish agriculture for himself or herself? This issue must also be examined.

At some meetings I attended a minimum payment was mentioned. Controversially, a maximum payment has also been mentioned. It is very easy to receive a strong round of applause at a public meeting when one speaks about the amounts received by the Queen of England, Larry Goodman or Greencore. Millions can go in cheques to individuals or groups such as these.

There appears to be radio interference by the Kilkenny world service and Senator John Paul Phelan at the back——

Senator Rónán Mullen: Wild and windy air.

Senator John Carty: *The Phoenix* has gone to his head.

Senator Paul Bradford: Yes, as has Deputy Hogan. This is a simplistic reaction because if one was to exclude the top four, five, six, eight or ten people, it would still not solve the problem. However, I do not have the answer as to how we should divide the spoils. Many are very happy with the current system because they are the beneficiaries. However, a huge number of people do not benefit as strongly as they believe they should and they tell me and my colleagues that they want to see a change. One group which has emerged very strongly in the

past six to 12 months in presenting such a demand is that of smaller dairy farmers. As a result of falling milk prices, they have seen their incomes disappear and, unfortunately, many of them have decided to leave the agriculture sector. They tell me there should be a floor or minimum level of EU support to keep a farmer with 20, 30 or 40 cows engaged in farming. It is one of the many competing demands and questions which the Minister will have to attempt to answer.

Ireland entered the European Economic Community in 1973 and the first huge agricultural policy change — the quota system — was introduced in 1983. It caused controversy and difficulties for persons on the wrong side of the line but people adjusted in so far as they were able to do so. Now that regime is about to come to an end and the circle of EU policy keeps turning. I appeal to the Minister that, in whatever deal is reached, we try to be very proactive in reducing the level of bureaucracy and red tape. I know this is a cliché but bureaucracy and red tape cost the Department and Irish farmers a huge percentage of grant aid. We should be able to reduce significantly the amount lost owing to bureaucracy and red tape.

I ask the Minister to be cautious in the debate on modulation. The concept of rural development and behind programmes such as the LEADER programme is a positive one. However, robbing Peter to pay Paul is not what we should be about. We must try to secure sufficient funding across the programmes in place for rural development, but it should not come from Pillar 1 funding sources.

We have to be conscious of the fact that the environment is very much at the top of the agenda for many and that the carbon issue is of great concern. European and Irish agriculture, under forestry and other programmes, play a very significant role in dealing with the carbon crisis and can continue to do so. I hope this issue and the broader issue of the funding of the REPS can be worked into the provision of more mainline supports for agriculture when the final package is put together.

The Minister will appreciate that we could all speak for some time on the issues involved. We do not yet know the answers, but it is important that we start to pose the questions to ourselves and each other, as perhaps we might find a jig-saw of ideas and solutions which the Minister could present in Brussels. I appreciate the challenge posed. I know that at Commission level there is a view that change is required. We must live in the real world. There is no point in the Minister, me or anyone else telling farmers that there will not be a change when deep down in our heart of hearts we know there will be. We must manage that change and secure the maximum funding which we must try to allocate as fairly as possible. We must provide for active farmers and farm families to enable them to continue farming. We must also aspire to ensuring an opening for new entrants. Every industry needs to sustain itself with new blood. As such, we cannot shut the door on new entrants, whether it be in the dairy, beef or tillage sectors.

I am sure we will debate this matter further. It is the type of issue on which we need to reflect every few months as messages are received from Brussels and when there are views and indications of where the various partners stand and we need to respond. The Committee on Agriculture and Rural Development in the European Parliament has presented its first report, as has the socialist group in the Parliament. I presume the other groupings will do likewise. This is a crucial debate for Ireland and it is vital that we secure the best possible deal. I genuinely wish the Minister well. It is possibly the most important set of EU negotiations for Ireland since 1972 or 1973. It is crucial that we achieve the best result in the talks.

Senator John Carty: I welcome the Minister for Agriculture, Fisheries and Food, Deputy Smith, and thank him for his comprehensive contribution. I called for this debate for some time because the issues involved are of the utmost importance. I particularly welcome the practical contribution made by Senator Bradford. I hope that at those meetings they are not riling up the farming community to expect to get everything. From his contribution, I can see

[Senator John Carty.]

that he is being practical. He knows there are major issues and I am delighted to hear him give his full support to the Minister. I have no doubt the Minister, in the negotiations which will take place in Europe, will take cognisance of all that has been said and will do his damndest to get the best deal for Ireland. I note, too, that the spokesperson in the Dáil, Deputy Michael Creed, said they would wear the green jersey on this matter. That is welcome because we do not want any division before we leave Ireland to go to negotiate in Europe. The Minister would agree with me on that.

It is clear that the Minister, Deputy Smith, has a determination to ensure there is a robust and properly funded Common Agricultural Policy after 2013. Today's debate is a welcome opportunity to discuss an issue of tremendous importance to this country and to emphasise the point that CAP is of importance not only to producers but also to consumers in this country and across the European Union. All of us who represent rural communities are more than well aware of the contribution that CAP has made to Irish farmers and rural communities and economies over the past 37 years. However, it is about more than Irish farmers. It is about ensuring a safe and secure supply of food for the more than 500 million citizens of the European Union.

The Minister, Deputy Smith, initiated a public consultation process on CAP post-2013 on 27 July 2009. He has been, quite rightly, a strong advocate for the maintenance of a strong CAP after 2013 and it is encouraging that his view is shared by the majority of his European ministerial colleagues. Today's debate gives this House an opportunity to speak with one voice in support of the need to emphasise the essential nature of a well-resourced CAP beyond 2013. This is an issue in the national interest and it is in the interest of every Member of this House, and producer and consumers alike, that Ireland's voice in support of CAP is clearly heard.

I know, from having spoken to many farmers throughout the country and the various farming organisations, that there is a clear realisation of the importance of CAP and the essential role it plays. It was particularly informative to read the findings of the recent Eurobarometer survey which, in a European Union-wide survey of CAP, showed that Ireland is among those countries which attach a particularly high importance to agriculture. This is, perhaps, not surprising given the importance of the agrifood sector to this economy and the undoubted potential it has in the economic recovery of the next few years.

At the current time the agrifood sector accounts for 6.6% of the economy's gross value added, 10% of total exports in 2008, a turnover of €24 billion and employment of more than 250,000 people when one includes primary production, processing, etc. This represents 7.7% of the total workforce and identifies the sector as the country's largest indigenous industry. In the Eurobarometer survey to which I referred and at a time when there is a great deal of debate on the future of CAP, it is very encouraging that 90% of the citizens of the European Union regard agriculture and rural areas as important for the future. Irish respondents to the survey recorded the highest level of precise awareness of CAP.

We must now build on that level of public awareness and support for CAP. We need to be acutely conscious of the importance of the European Union in ensuring security of food supply and the maintenance of family farming in Europe. As an exporting country we must be particularly conscious of the need for competitiveness and innovation. The scale of the challenge in terms of funding for CAP after 2013 was described in a recent newspaper analysis as a battle royal over the European Union's €57 billion annual agriculture and rural development budget.

The negotiations on the future of CAP must be seen in the context of a new European Union financial perspective for 2014 to 2020, with competing pressures for funds and the pressure for less money to be devoted to CAP in terms of a share of the budget and in absolute terms. In its

European Union 2020 strategy, the Commission largely ignored agriculture. The Government's response was swift and highly successful. The Taoiseach insisted on the inclusion of a reference to agriculture in the spring European Council conclusions on the European Union 2020 strategy. This was a significant achievement for the Taoiseach, Ireland and her allies, and I congratulate the Taoiseach and the Minister, Deputy Smith, on ensuring this was done.

There is no doubt that just as CAP has its supporters and advocates, so too does it have its critics. We must be unstinting, therefore, in our efforts to continue to highlight the importance of CAP and counter the criticisms. The Minister, Deputy Smith, will continue to build useful and effective alliances with other like-minded Ministers who also support a strong CAP. Fianna Fáil Ministers for Agriculture, Fisheries and Food have always ensured Ireland has engaged fully in agricultural issues at European Union level, and this approach will be maintained by the Minister, Deputy Smith, and his officials.

Shortly after his appointment as Minister for Agriculture, Fisheries and Food he met Commissioner Ciolos and emphasised the need for a robust and properly funded CAP after 2013. I share the Minister's view that the future of CAP should be characterised by the twin goals of competitiveness and sustainability. I also share his commitment to the maintenance of decoupled payments. Full decoupling has been good for Ireland and Irish farmers. It remains the best approach to underpinning the incomes of small family farms while at the same time allowing them to respond to market opportunities. The income supports provided by the single payment scheme are vital for the continuation of sustainable farming in Ireland.

I also support the Minister's stated position of opposition to a European Union-wide rate payment. I welcome the fact that, in his contribution, the Minister, Deputy Smith, mentioned that Commission Ciolos would be coming to Ireland on 1 September and will meet the Joint Committee on Agriculture, Fisheries and Food. I look forward to that meeting.

The importance of CAP was also highlighted by the farm income figures published by EUROSTAT last week. They show that, despite the fall in farm incomes, CAP played a vital role in supporting farm incomes. In particular through the sustained efforts of the Minister, Deputy Smith, the use of the market management mechanisms put a floor under milk prices at a very difficult time for dairy farmers. As the new Commissioner for Agriculture and Rural Development said last week, the difficult year experienced by farmers shows how important CAP support was in maintaining farm incomes and stabilising prices using the existing market instruments.

I concur with Senator Bradford that the small dairy farmer with 40 or 50 cows should be included in the negotiations to try to get as much help as possible. They are a dying breed, especially in the west and the Minister's constituency where, 20 years ago, there was a high proportion of farm activity in the area. That has virtually gone. There are a number of reasons for it but price is one. There is also an ageing farming population which is no longer able to sustain the very intensive form of farming which involved working seven days a week. Something should be done to encourage young farmers to keep it on because it is vital in our communities, especially in the west.

The Government has taken some very difficult decisions over the past two years. Last week's Exchequer returns show that tax returns are on target for the period to the end of April and will strengthen as the economy returns to growth later in the year. In an open economy such as ours, economic growth and recovery will be export led. As the Taoiseach said last week in an address to food and drink industry leaders, the food and drink industry will need to be at the forefront of that effort, harnessing our indigenous resources to generate earnings on global markets. We have quite a number of products which have benefitted farming, in particular dairy farming. We have cheeses and our butter is recognised as being of top quality across

[Senator John Carty.]

Europe. One of our great products from the drinks industry is Bailey's Irish Cream which has been a huge success. We should build on that and try to get other products to match it.

The Irish agri-food sector is well positioned to play a central role in the export-led recovery of the economy. The manufacture of food and drink products is our main indigenous industry with 800 companies employing more than 45,000 people and producing more than one third of our net export earnings from primary and manufacturing sectors. Although there are many challenges facing the sector in terms of international competitiveness and environmental sustainability, there are also enormous opportunities opening up in the EU and global food and drink markets.

Earlier this year the Minister launched a new medium-term strategy process which is being driven by a group of high level players from the sector, including farmers, primary processors, food and drink manufacturers and retailers. The 2020 strategy committee is currently drawing up a strategy for the agri-food, forestry and fisheries sectors and I am sure we all await with interest the outcome of the committee's deliberations next month. I share the stated view of the Taoiseach that the work of the 2020 committee will ensure that Ireland's food, fisheries and forestry sectors can help to lead the way on the road to recovery.

We must achieve joined up thinking along the food chain from the consumer to the farmer and in both the private and public sectors. We need a strategy for the whole sector that will focus all our efforts. The 2020 strategy committee has been given a tight timeline and its work is critical to ensure the industry is best placed to exploit fully its undoubted potential.

There have been some encouraging signs recently. The recent improvement in the dairy market situation, in particular, is to be welcomed. The position has improved considerably since last autumn and, more recently, has shown signs of a robust recovery with increased commodity prices on world and EU markets and a consequent rise in milk prices. However, challenges remain and as we move closer to the end of the milk quota regime, there is a need for a shift in attitude and emphasis. Scale, efficiency and innovation must become the norm at both farm and factory levels.

Beef production continues to be an extremely valuable component to the Irish economy with an export value of €1.4 billion in 2009. Some 90% of Irish beef production is exported with more than 90% of the product exported to the high value EU markets. I compliment the Minister and his predecessors on the tough regulations on animal disease which at times we criticised. However, they proved to be good decisions and the consumers across Europe can have faith in the product and the way we produce it. We cannot get away from that and we should outline it at every opportunity, that is, that we have safe and good quality food. I compliment the Minister on how fast he and his officials moved following the pigmeat crisis. Even though it was at great cost to the country, they ensured no doubt was left in anybody's mind but that our food was of top quality.

Given recent developments in the international and domestic economies, the immediate prospects for the Irish beef sector remain challenging. While the market performance of, and the price return on, beef products is a function of supply and demand, the Minister and his Department remain committed to working with producers and others in the sector in responding to evolving marketing challenges and providing a sound framework for the development of the sector.

This debate is an important opportunity for this House to make its contribution to the debate on the future of the CAP, Irish agriculture, the agri-food sector and the more than 250,000 people whose livelihoods depend on that sector. The CAP has been a cornerstone of EU policy relating to farming and rural areas for more than half a century. It is significant that there

continues to be a strong perception that the CAP is particularly effective in securing food supply in the EU as well as ensuring agricultural products are of good quality, healthy and safe.

Today offers us the chance to put our efforts behind those of the Government in robustly defending the principles of the Common Agricultural Policy and to seek to secure sufficient resources to preserve the principles of solidarity and support for primary production, food security, food quality and food safety and the need to maintain family farming in Ireland and across Europe.

Senator Joe O'Toole: I welcome the Minister and appreciate his comments. I go along with the points Senator Carty made. Since I became a Member of the House 23 years ago, time and again I have praised the work of various Ministers and a number of our Commissioners who fought hard to defend Irish agriculture. I hold the Irish Farmers' Association in great regard but I regularly say it should show more appreciation for the work that has been done. I mention also Ivan Yates who did trojan work. We have been well served by the Minister and his predecessors.

Europe has found a better direction in recent times. We must say to the farmers of Ireland that there is a growing market for food in the world and, therefore, the prospects, if properly handled, directed and regulated, are optimistic. However, it is hard to convince farmers of that because they have not got a very good deal in recent years. There is a slight improvement this year, which is good to see.

One of the great problems with the Common Agricultural Policy was that it turned on its head centuries old activities, directions and objectives of agriculture. For the first time, we started to pay people not to produce and to compensate people to do the reverse of what they learned over many years. That was the time we started to develop wine lakes and butter mountains and to have excess beef etc. At least we have moved away from that, which is very important.

There are issues we must address in that regard. The Minister spoke about the importance of agriculture as part of the infrastructure of this country not only in terms of jobs but of community. The further west one goes from the east coast, the more we see that. Not only do we have a huge economic investment in, and commitment to, agriculture but there is a community issue there, which is hugely important.

What we are discussing is crucial in terms of rural development. The money which goes to farmers is the life blood of much of rural Ireland and that is why we need to address it from that point of view. I completely support the views of the IFA in terms of focusing on sustainable agriculture, sustainable farms and on attractive lifestyles in order that young farmers and new farmers are attracted to and remain in the industry. That is hugely important.

I refer to the question of sustainable food. Our interests have been very well represented in Brussels and elsewhere but we are missing out on practical things. When in other countries, I walk through markets and look at what is happening in their agriculture industries and at how their farms operate. Our best support has always been from France. Anybody who has ever travelled through France will know what a vast agricultural country it is with its dairy-related industry in the north, a huge cereal growing area in the middle and a wine industry in the south. When I walk into a market in France, I wonder whether it is in Europe. I see shiny and beautiful vegetables on display in French supermarkets, farm markets and street markets which would not be allowed in the door of the Dublin market because they would not fit through the sorter. This happens all the time. We are shooting ourselves in the foot. The French take the correct approach. When French people buy vegetables they do not necessarily seek out seven

[Senator Joe O'Toole.]

tomatoes of the same size and shape. They know what they are looking for and instinctively buy what looks good and healthy, which we do not do.

I told the Minister of State with responsibility for food that if nothing else was done in agriculture during this term, the single most important change would be the repeal of the Abattoirs Act.

Senator John Paul Phelan: Hear, hear.

Senator Joe O'Toole: This legislation has wrecked the beef industry in small towns all over Ireland. When the Minister and I were young, our mothers or grandmothers would send us to the local butcher to buy a piece of meat for the Sunday roast. The butcher would ask us to tell our mother that the meat came from a farm down the road owned by Brendan Smith who bought the calf from John Carty. While this may be an entertaining point, it is also a serious one. We need to return to those times, albeit not by dropping hygiene or cleanliness standards in abattoirs. If a farmer brings an animal to an abattoir for slaughter, it is pot luck whether the meat returned to him will belong to his animal. People may argue that is completely wrong but the meat comes back wrapped in plastic and it would take a rare genius with the wisdom of Solomon to know whether it had anything to do with the animal delivered to the abattoir.

The Minister should consider the possibility of having State owned abattoirs established in provincial towns to enable local butchers or farmers to rent a chiller and slaughterhouse for a couple of hours a few times each month or week to do their business as they once did. Another approach would be to persuade butchers to organise themselves in local towns but they would never do so.

A serious issue arises in terms of how we do our business. The Minister did not refer to the amount of food that is thrown away, an issue he discussed previously in the House. Food items purchased in supermarkets are labelled with what is known as a "best before" date. I ask the Minister to acknowledge that the use of these dates is a load of nonsense. When the Minister and I were young if one wanted to know whether milk was drinkable, one stuck one's nose into the jug and one knew quickly enough if one could drink it. One did not have to look for a date printed on the bottom of the packaging.

I do not object to "use before" dates, which are completely different, but to best before dates, the reason being that they cause people to throw out and replace perfectly good food, a significant problem which costs money. Not only do consumers throw out food that has past its best before date but supermarkets are also required to remove such products from their shelves. This means the farmer or local stockist is not paid because his product has not been sold. It is completely wrong that the farmer or first producer is forced to pay for this practice.

I compliment the IFA on winning the long-running battle about Brazilian beef. While I do not have a problem with beef from Brazil, I have a problem with Irish farmers trying to compete with it. Although I concur with the Minister on the importance of competitiveness, if Members will forgive the use of a cliché, we also need to have a level playing pitch. I do not propose to dwell on what is being done in Brazil in terms of beef because Irish farmers have made this clear. However, I listened to a documentary on BBC Radio 4 last weekend which highlighted how farming in Brazil is wrecking infrastructure and the Amazon forests. Nobody cares, even though carbon sinks are being developed which cost the world in terms of greenhouse gas emissions. Goods produced in Brazil are then exported to this side of the Atlantic where they put our farmers out of business.

I will be clear on this matter to avoid misunderstandings. I ploughed a lone furrow in the 1990s when I fought the Government and IFA because they were trying to con Irish farmers

into believing they could secure a price for their beef in excess of the world price in the long term. It took seven or eight years for my argument to be accepted. It is, however, unfair to require European farmers to compete with Brazilian farmers who ride roughshod over the environmental demands imposed on farmers here.

This brings me to the issue of traceability. When I am buying chicken I want to know where it was reared. French supermarkets have adopted a simple approach by placing on all chicken products a label with the words “élevé a”, as in “reared in” or “bred in”, followed by a location. I want a similar system introduced here. Why does the Minister not simply decide to do so? When his officials tell him how difficult it would be to introduce such a system he should tell them they should sort out the difficulties by the following Monday. He must make this change to ensure that every piece of chicken sold in this country features a label indicating where the chicken was reared. I do not care where it was processed, had water pumped into it or had tandoori spices added to it. I want to know where it was reared.

On another issue, which I have raised previously to the great amusement of my colleagues and on which I feel strongly, we no longer do certain things in this country. For example, it is virtually impossible to find mutton nowadays. One must fight with a butcher to get mutton to make Irish stew. To describe a one year old lamb as mutton is a marketing ploy. If I walk into a house where mutton is being cooked, I will know from its distinctive smell that it is mutton. It tastes and smells different from lamb.

Senator John Paul Phelan: Could the Senator tell mutton dressed as lamb?

Senator Joe O’Toole: I know mutton dressed as lamb and lamb dressed as mutton. I am lucky to be of a generation which learned the great art of telling them apart. I worry about young men who never had to make the distinction.

The Minister referred to competitiveness and diversification. I ask him to do me the favour of studying a highly technical area of diversification until he fully understands it. Why are farmers who wish to build wind generation facilities on their farms not being paid a decent price for placing spare electricity in the grid? Why is this electricity not counted towards carbon credits? This issue must be examined and farmers encouraged to engage in this area. I know of one if not two farmers who are Members of the other House and have wind turbines on their farms which generate 10 kw or more of electricity. They would be prepared to increase the electricity they generate.

We must examine the things we do not but could do. The Melton Mowbray pork pie is the great pork pie of the United Kingdom. At one stage, one could buy these pork pies in every Tesco store in the UK, which meant the tiny town of Melton Mowbray would have had to produce 1 million pork pies every day to meet demand. People in the town asked why the name of their town could be used on pies produced elsewhere. They took legal advice and discovered the principle of area of origin, under which certain products featuring the name of a place must come from the place in question. The concept tends to apply to wines but extends to many other products.

Deputy Brendan Smith: It is known as the geographical indicator.

Senator Joe O’Toole: When people in Melton Mowbray took on the major supermarket retailers in the United Kingdom, they were laughed at but they fought and won their case. As a result, the town owns the title of “Melton Mowbray” pork pie, which means that if Tesco or other retailers want to sell these pies, they must comply with the direction, regulation and arrangements made by the town. I would like the same to be done in the case of Dingle pies,

[Senator Joe O'Toole.]

Limerick ham and many other Irish products. There are, for example, many cheeses in Senator Prendergast's county — Cashel Blue is one — which are defined by their name.

For the people of Cashel, this means Cashel Blue cannot be made in Dingle. It is more than an Irish commodity; it is about developing the infrastructure of the area, something we are bad at.

I am not only interested in one-year old lambs. One-year old chickens, or capons, are sold all over the Continent and often numbered, just like a bottle of wine, according to area of origin. They are more expensive to buy, but we are not doing this. At the end of the day, it is all defined by those buying food. That is the objective of farming, at which we need to look carefully. However, we should not look at this issue solely on the basis of the CAP envelope we receive. It is about more than that because the envelope will only continue to be received if we get the other bits and pieces right.

The grass-based production system used in Ireland can deliver. It lifted my heart to drive through the countryside in the last month and see cattle on the grass again. People complain about the weather, but farmers in the south of France cannot let their cattle out in the summer because it is either too hot or they have something they want to grow. We have the production capacity which we need to protect. This is even more attractive for an island nation.

We should support the IFA which is well meaning. There is nothing wrong with being a self-interest group because we have to have people who will look after farmers' interests. The IFA has its own proposals to make on sustainable food production, maintaining young farmers in the industry, rural development and so on, all of which are of crucial importance to Irish society.

I compliment the Minister on the work that he and his officials are doing. It is difficult work and there is not great support for agricultural policy in many of the industrialised countries in Europe which must learn that they must eat, as well as make money. Their long-term prospects are best protected by supporting the Common Agricultural Policy that is in place for the benefit of everybody. Ireland can play a huge role in becoming part of the food basket of Europe. That should be our objective.

Senator Francis O'Brien: I welcome the Minister. I am delighted to see him in good form and jovial mood, as he has been under a lot of pressure in the past few weeks.

I welcome the opportunity to debate this important issue in the House today. In the Treaty of Rome the main objectives for the Common Agricultural Policy were to increase agriculture production, ensure a fair standard of living for farmers and those engaged in agriculture and to stabilise markets to ensure a supply of wholesome healthy food for EU consumers at reasonable prices.

Since 2003 the main farm support mechanism has been a decoupled payment in the form of the single farm payment scheme. Ireland was the first country to adopt this policy in its entirety and it is important that we remain committed to this approach. Decoupled payments remain the best way of underpinning medium and small family farms, while at the same time giving each individual the freedom to respond to market opportunities. In the past few years we have seen a steep fall in the price farmers receive for beef, cereals, dairy products and sheep. This has resulted in farmers relying solely on direct payments for family farm income. The latest national farm survey report shows beef, sheep and tillage farmers were actually using direct payments to cover some of their production costs. This has resulted in declining family farm incomes which declined faster than non-farm incomes in urban and rural areas.

1 o'clock

The decline in farm incomes is not unique to Ireland. We have seen a decline in farm incomes in the past few years in most EU countries. This has resulted in lower production owing to reduced profitability in the main land-based farming sectors. The European Union is no longer self-sufficient in beef or sheepmeat production. This clearly shows that right across the Union farm subsidies under the CAP are essential as a guarantor of food security and income support in the maintenance of the family farm structure as a way to maintain rural communities.

As well as maintaining a support mechanism through direct payments, it is also important that there be market supports or other structures put in place to reduce the huge fluctuations in farm gate prices that have occurred in the past few years. Small to medium-sized family farms cannot survive large farm produce price changes from year to year. It is important, therefore, that mechanisms are put in place that can be acted upon speedily to lessen the impact of sudden price drops, as happened in the case of milk in 2008 and 2009. The existing market support tools need to be maintained or developed further with a view to controlling sudden market price changes.

Since 2003 direct payments have been calculated on an historic basis, decoupled from current production methods or scale of production. From 2013, a new basis for calculating direct payment entitlements will be needed. In this regard, different options need to be analysed. However, any new system needs to be fair and must enable farming to remain competitive and sustainable. The movement to a flat rate payment system would not meet the aim of ensuring a fair standard of living for active farmers. A recent study carried out by Teagasc shows that a flat rate payment, while moving income from the south east and the midlands to the west and Border regions, would also move payments from those farms contributing most to agricultural output and could, therefore, endanger the future of family farming as a means of earning a family livelihood. A fairer system might be based on calculating rates based on income from farming on a regional basis and rewarding farms in active production, protecting the environment or adding to the well-being of the wider rural community. The current supports to improve competitiveness in agriculture through grant aiding target investments and agri-environmental schemes need to be maintained in the CAP programme post-2013. REPS and schemes like the farm waste management scheme have brought major improvements in the environment and standards of animal welfare on Irish farms. The continuation of schemes such as these would bring extra capital and employment into rural areas that are now unemployment blackspots owing to the economic downturn. As a nation we should support and insist on the main plank of rural development policy to be supporting farmers to develop their farms to full productive capacity and at the same time protecting the environment for the well-being of society in general. Measures such as these are critical not alone for Irish rural communities but for the wider EU farming communities.

Direct payments and rural development programmes are essential for the well-being of rural communities throughout the EU. For this reason alone these programmes should be agreed and funded as a common policy for the entire EU. The proposal to have co-financing of direct payments by national governments would discriminate against communities in poorer countries and would end the only real common policy currently in the EU.

The upcoming review of the CAP will be important not alone for Irish farming and rural communities but also for future EU agriculture policy. We need to develop a strong policy where as a nation we can go forward into negotiations with a clear agenda for the well-being of this industry which is so important for this country. I am confident our negotiating team under the Minister for Agriculture, Fisheries and Food, Deputy Smith, can deliver a new CAP post-2013 that will benefit the farming community and rural areas.

Senator Phil Prendergast: I welcome the Minister of State to the House and congratulate him on his recent appointment. I am delighted to take part in this debate. The future of the Common Agricultural Policy needs to be addressed now. We are fast approaching 2013 and, with every day that passes, the situation for Irish farmers becomes more critical. Agriculture remains at the core of Irish rural life and CAP 2013 is vital to securing the viability of farming as an option for young men and women. We must encourage young people to get involved. CAP reform must protect small producers who form the backbone of rural areas and it must ensure they are not neglected in preference to larger operations.

The single farm payment is key to the livelihoods of most small farmers. The Government must act in a decisive manner to protect the single farm payment from the threat posed by the future negotiations of CAP. The CAP process is not intangible; it is about real people, families and communities. I am from a rural constituency. Not only is it rural, 53% of the electorate come from those rural parts. I am glad this debate is taking place in the House. It is time for an informed debate to begin because we cannot wait until 2013. Now is the time for action. Now is the time to decide what we want from the CAP and for the future of the agriculture industry.

My colleague, Alan Kelly, MEP, recently carried out a survey of farmers. The findings show that 97% of farmers believe that CAP is of major importance or is vital to Irish agriculture but more than 90% of them believe that the future of CAP will have a negative impact, which was a somewhat surprising finding. Mr. Kelly, MEP, revealed these results at the Future of CAP — Crisis or Opportunity for Rural Ireland conference which took place at the end of March. This conference was the first of its kind in Ireland and it saw attendees from throughout Ireland gather to hear speakers, including Deputy Gilmore and the IFA president, John Bryan, discuss the future of CAP for Irish farmers. There was great interest in that kind of debate. It was an additional forum at which people could put their views. As people involved in seeing where laws originate and how we might access funds, it is very important to keep in touch with the people we represent and not to forget that we are supposed to be the spokespersons for them and the buffer between them and what can help them.

CAP is worth in excess of €1 billion to the Irish economy in purely financial terms. Unfortunately, because it is an agricultural issue and one for rural areas, it does not get the attention it deserves. I do not say that lightly. I also do not wish to be unfair in stating that. However, there is nothing sexy about it. We need to present a united front in Europe to protect our national interests and ensure a future for Irish agriculture. We need a strong vision for the future of CAP. We cannot have a CAP that provides almost random subsidies to large farmers and companies. We need a CAP that will protect and foster the family farm structure. Of course we have many examples of that in south Tipperary. We always like to be parochial in mentioning what is good in our constituencies. We have already identified that Tipperary is fairly good on cheeses. We also have the apple farms and good farmers' markets, of which the Green Party have been very supportive.

Senator John Carty: The Senator is keeping an eye on the future.

Senator Phil Prendergast: One always has an eye on the future. We have good produce and good butchers such as Pat Whelan. The Minister of State would be welcome to come and sample it at any time.

Deputy Ciarán Cuffe: I look forward to it.

Senator Phil Prendergast: If we believe in the future of Irish agriculture, we need to structure CAP in such a way that it will foster and encourage innovation, sustainability and quality. Deputy Sherlock, the Labour Party spokesperson on agriculture, has been calling for this

approach for some time. That should not present any difficulty in terms of the Minister of State's philosophy. It is something on which a common response could be agreed. The response from Government so far has been a deafening silence. I welcome this opportunity to put the case to the Minister of State and I acknowledge that he is listening. I also noted that the Minister, Deputy Smith, who was in the House earlier, was taking notes during the debate. This is not like the usual forum where we say something that has no meaning or does not resonate with the Minister who is listening. I would like to think there is relevance to the debate. It certainly has an additional meaning when we can give positive examples and the Minister of State knows that what he is hearing is fact and not just rhetoric.

The devil is in the detail and the CAP is no different in that respect. It is obvious there are real concerns in the farming community that CAP will lead to a significant reduction in income within the agriculture sector. The fact that more than 900 farming families have been awarded a payment under the farm assist scheme since the start of the year is further proof that many families in rural areas are on the breadline. This is a worrying trend and reinforces the need to ensure any decisions regarding CAP will not further negate farm incomes.

We often make the mistake of thinking that the interests of those in rural areas are different from the interests of those who live in urban areas. Nothing could be further from the truth. We are one Ireland and all our interests are intertwined. Deputy Gilmore has said:

Real vibrant communities will not survive and thrive without some support. As the CAP moves more and more away from direct support for farmers, it can have a new role in protecting and enhancing rural life.

Small rural businesses, cottage industries and green energy can all be supported through a restructured CAP. We cannot hope to develop sustainable communities throughout rural areas unless farming is in a healthy and sustainable condition. I welcome this timely debate. It is time for the Government to engage with all stakeholders to ensure a fair reform of CAP to the benefit of all.

Senator Niall Ó Brolcháin: It is my pleasure to welcome the Minister of State, Deputy Cuffe, to the Seanad and to see him here, covering his brief of horticulture and agriculture, key issues for the Green Party. I thank Senator Prendergast for mentioning the farmers' market aspect.

So far, the debate has been good. Senator Bradford said this was a green jersey issue. That resonates with me, not because of the word "green" but because it is an Irish issue and we must all get behind it. I join others in giving support to the ministerial team which negotiated on behalf of Ireland on the CAP agreement.

The Common Agricultural Policy and food security are very much intertwined and food security is very dear to the hearts of those in the Green Party. Our policy states that food security can never be left to the vagaries of the market, a very important point. I grew up in a rural farming area, a sugar company baby, as one might say. My father worked for the Irish Sugar Company and I grew up in an area that was surrounded by Teagasc, or, as it was known then, the Agricultural Institute, on one side and Erin Foods on another. The Irish Sugar Company was very much part of this landscape. It is very sad for me to see the loss of production of sugar in this country which was introduced during the Lemass era.

Agriculture has always been an enormous part of what we are in this country. It is a much greater proportion of our economy than it is in Britain, for example. I understand that British agriculture forms roughly 1% to 2% of that country's economy, which it could quite easily do without, because financial matters were considered to be much more important than agriculture. The reality is we all eat food and none of us eat money. Agriculture is very important

[Senator Niall Ó Brolcháin.]

to the security of any country. Ireland is lucky in that we can sustain the population we have, something the new Prime Minister of Britain cannot say because Britain cannot sustain its population with the agriculture it has.

In Ireland, aspects such as horticulture are not valued in the same way as beef cattle farming or the dairy sector. We specialise and that is important. However, food security is crucial for our future and our survival. Again, the Green Party states:

The Green Party will try to lobby for changes in the World Trade Organisation to protect domestic food production from competition from cheaper imports. The Greens believe that every country in the world, particularly a Third World country, must be allowed to take adequate protection measures in order to ensure its own sustainable self-sufficiency in food, thus establishing an equilibrium in the balance of goods produced for home and export.

At present, the World Trade Organisation refuses to let countries distinguish — in their rules on imports or on what can legally be sold in their territory — between products on the basis of the way in which they are produced, if that distinction applies to imported as well as to domestic products. The World Trade Organisation must be reformed to allow countries to ban imported goods that have been produced under substandard animal welfare conditions or by using banned agri-chemicals.

The point of the policy is that it is crucial that the standards we apply in this country also should be applied to the food imported into this country. I spoke once on the madness of flying in broccoli. Importing huge amounts of vegetables such as broccoli into this country by flying them in from South America is simply not sustainable.

We can look at what is happening at present in regard to the Icelandic volcano. I am obsessed by it because it will have a great impact——

Senator Rónán Mullen: Can the Senator pronounce it?

Senator Niall Ó Brolcháin: I cannot.

Senator Rónán Mullen: Neither can I.

Senator Niall Ó Brolcháin: I am not even going to try.

An Cathaoirleach: No interruptions.

Senator Niall Ó Brolcháin: It is having an enormous impact on this country. In some ways it may——

Deputy Ciarán Cuffe: Eyjafjallajökull.

Senator Niall Ó Brolcháin: We shall allow the Minister of State to pronounce the volcano later.

Senator Paul Bradford: The learned Minister of State.

Senator Niall Ó Brolcháin: Indeed. His Icelandic is far better than mine and I defer to him on that. It is interesting because it highlights the fact that we bring in so many food products by flying them in from other countries. If we can produce these products locally, should we fly them in, burning up carbon in so doing? The importing of people is an entirely different matter but should we fly in products from South America that we can produce locally? I say “No”.

Senator McCarthy referred to Baileys Irish Cream. In my working life I had the great privilege of working for Virginia Milk Products which produces Baileys Irish Cream for the market. The cream used was absolutely fantastic. Having the cream from Baileys Irish Cream with a dessert was an unbelievable experience because the quality of that cream was so great. It was one of the nicest things I have ever eaten in my life. It really feels so light compared with the standard stodgy cream which one can buy elsewhere. I will not say where.

Senator Rónán Mullen: We are moving into Miriam Lord territory.

An Cathaoirleach: No interruptions, please.

Senator Niall Ó Brocháin: I make a serious point concerning the quality of Irish food. We must focus on that quality in this country because while we cannot compete with the huge monocultures of very large countries elsewhere, such as Brazil, we can compete in the high quality of locally produced food.

I refer again to what Senator Prendergast said. The Green Party is taking a very proactive approach in encouraging organic food, farmers' markets and locally produced food. These should be linked to local restaurants and schools. I stress the latter because it is very important we educate people about food production. Sheep farming in Connemara was brought to my attention, for example. We want to encourage Connemara lamb as a product. I mentioned before that some of the carpets in this House were manufactured in Connemara although they cannot be made there now. Increasingly, sheep farmers have an older profile and are in their 50s. Young farmers are not going into this type of farming.

We need a very strong educational programme in schools. When he was Minister of State, Deputy Sargent, who preceded the present Minister of State, Deputy Cuffe — I am mixing up my Deputies and Ministers — put in place a very strong programme of growing food in schools. He also made significant progress in putting farmers' markets in place. Allotments make up another very important campaign. Increasingly, people are moving to the cities and Ireland has become more urbanised. As a result, many people simply do not know how to plant a seed and watch it grow. It is very important, therefore, that young people are educated from an early age in how a simple thing such as growing a sunflower or any other type of food actually works.

The Green Party very much wants to promote organic food and has a target for us to reach 5% organic production in the not too distant future. It is very important we produce high quality organic food and that is the policy of the Government. I would like to see much more money being put into organic food production. In the past, subsidies were put into non-organic or genetically modified food, but we must value and prioritise organic and sustainable food.

The IFA is highlighting grass-based food production which is the right way ahead. As one who worked in the dairy industry, I saw non-grass based milk production, for example, in the United Kingdom. Our production of cheese and milk products is something we can see and export to the highest possible standards. We do not take enough cognisance of this and do not value it as much as we should. I propose high quality organic food production.

Senator Joe O'Toole mentioned windmills and we should look to supplementing farm incomes with non-farm activities. It is very important that we look to underpin rural people so they can make incomes not just from food production or farming, which is increasingly difficult. We should encourage community energy production in a big way as there is not enough of it. We might only be talking about rainwater collection systems or windmills, which would produce wind for specific farms.

[Senator Niall Ó Brolcháin.]

Anaerobic digestion and bio-gas production can also be increased in the country. Currently there is zero production of bio-gas but in countries like Germany, a significant level of renewable energy is produced through bio-gas. The Cathaoirleach is nodding so I will end on time.

An Cathaoirleach: Senator John Paul Phelan will have ten minutes to speak but I ask him to move the suspension of the House until 2.30 p.m.

Senator John Paul Phelan: Having sat all morning through the debate, I am gutted.

Senator Rónán Mullen: The rest of us are gutted as well. There will be time for the people of Kilkenny to get to their representative.

An Cathaoirleach: I neglected to welcome the Minister of State, Deputy Cuffe. I wish him well.

Sitting suspended at 1.35 p.m. and resumed at 2.30 p.m.

An Cathaoirleach: I welcome the Minister of State, Deputy Finneran.

Senator John Paul Phelan: I also welcome the Minister of State. I am glad to have an opportunity to contribute to this debate on the upcoming reform proposals of the Common Agricultural Policy and the vital role CAP has played in rural Ireland since we joined the EU, a role which it will continue to play.

It has always been my firm belief that the best form of rural development is trying to keep as many people actively involved in agriculture in rural areas as possible. This should be and probably is the Government's starting point in the upcoming review of CAP. As the Minister for Agriculture, Fisheries and Food stated, the Government will be under significant pressure to change the way the national envelope is distributed to rural communities, namely, less emphasis on direct payments and more emphasis on rural development issues. However, direct payments to farmers are of most benefit to rural Ireland. Money given to farmers in this way is spent in the rural economy on services that provide real and sustainable jobs in those communities.

A number of the preceding contributions were interesting. I do not have a great deal of new information to add to the debate, but I was taken by the Minister's reference to the fact that he was considering events in the United States of America with regard to market supports. It was a suggestion I was going to make to him. A farm Bill enacted in the US not that long ago comprised a range of new market support measures. Most Senators who have contributed to our debate mentioned the detrimental effect of price volatility on the people involved in farming. Many cannot sustain long periods of below-cost production. The Americans have undertaken a number of initiatives aimed at ironing out volatilities in the prices farmers get for their products. Before the review is formalised, I urge the Minister of State and the Department in their negotiations to consider events in the US in a bid to determine whether CAP could adopt some of those measures.

It is worth pointing out that CAP and agriculture in general comprise the only aspect of the European economy that is fully integrated across the Union. Many of the actions taken by the Government in the agricultural sector are dictated by agreements at European level. I agree with Senator Bradford and others who stated that the overall aims and objectives that CAP was set up to achieve have been achieved. We have a secure supply of food for the European market. After the Second World War, there were significant food shortages, but that is no

longer a difficulty. In the overall GDP figures within the EU, the amount being spent on CAP is a small price to pay for ensuring a safe and reliable food supply.

I emphasise the points made by a number of Senators regarding the nature of agriculture in Ireland, namely, how our industry is largely grassland-based, and its significant environmental benefits over some other more intensive forms of agriculture. There should be a pay-off for farmers in light of their activities in land management and looking after the countryside, the benefits of which have accrued over a long period.

At a time when everyone has a heightened awareness of the climate and climate change, the significant problems stemming from deforestation, particularly in South America, are worth pointing out. The EU has an open system, in that product is accepted from many third country markets. As well as being of spurious quality in some cases, this product has led to considerable environmental damage in some of those third countries. Ireland already has in place the landscape to produce top quality food without impacting the environment as adversely.

It is vital that whatever comes from the CAP review should ensure farm families are not forced to produce at below the cost of production indefinitely. The Minister referred to this matter and I agree fully. We must provide a sustainable future for young people in agriculture. The current CAP regime and direct payments system pose a difficulty in that they comprise a historical system, making it more difficult for young people who want to get into agriculture to gain access to some of the entitlements still being paid to some people who have ceased production. This matter will have to be addressed. Expecting the European Union to continue to pay in full, based on an historical system with a reference period that stretches back almost ten years, is an approach which cannot be sustained. By the time the review is complete, the reference period will stretch back further than ten years.

Another substantial issue that has arisen during my time in politics is that of the standards relating to products. While I disagreed with some of the comments made by Senator O'Toole, I agree with what he said on the implementation of the different standards, directives and regulations across the European Union. He stated the standards which applied in France and countries in continental Europe in respect of markets, produce and the butchering of animals were very different from those which applied here. It is the fault of the Department of Agriculture, Fisheries and Food and the Government that we have continually used the strictest forms of wording when implementing European regulations, particularly, as Senator O'Toole stated, in respect of butchering and abattoirs.

In every parish throughout the country one or two people would have been responsible for slaughtering lambs or cattle. People brought their animals to these individuals who operated to a very high standard to have them butchered. A service was provided and the moneys generated remained within local economies. On foot of the legislation dealing with abattoirs that has been put in place, the practice to which I refer has been almost completely wiped out. In County Kilkenny there are now only two or three abattoirs involved in the slaughter of animals. That is shocking, particularly when one considers that in any village in France one will find a butcher who is involved in the slaughter of animals. One will also find all types of other local industries that provide services for and create employment in their communities. The French have managed to retain this aspect of rural heritage which has been lost in this country. The Government should reconsider the way we implement EU rules and regulations, particularly in the context of the butchering of animals.

There has been much criticism to the effect that the Common Agricultural Policy does significant harm to agricultural production in Third World and developing countries, but nothing could be further from the truth. The European Union is the biggest importer of food from such countries and allows free access to all of its markets for the 20 least developed nations in

[Senator John Paul Phelan.]

the world. Our friends in the United States and other countries should be encouraged to adopt such a model.

The Common Agricultural Policy was described in one of the briefing documents we received in advance of this debate as a social contract between farmers and society. That is certainly true. I grew up in a rural environment. I am not a farmer or directly involved in agriculture but both of my brothers are farmers. It must be central to our policy on this matter that we encourage as many people as possible to be viably employed in agriculture.

The figures relating to agriculture are stark. In real terms, farm incomes have fallen by 50% since 1995. No other sector of the economy has experienced such a drop. Rural areas have been devastated as a result of the collapse of the construction industry. Many young people from farming backgrounds who left education early and went to work on building sites are now out of work. Given that the Government has suspended installation aid and the early retirement scheme, it is becoming very difficult for those to whom I refer to become involved in agriculture. There is a need for significant reforms to be introduced. However, we must support the overall allocation for Ireland in the context of funding from the European Union for agriculture.

Senator Paschal Mooney: I welcome the Minister of State, Deputy Finneran. It is appropriate that he should be here in succession to his senior ministerial colleague, Deputy Smith. I compliment them on ensuring the interests of rural communities are continually kept high on the agenda. In a sense, that is the essence of this entire debate. Reform of the Common Agricultural Policy means many things to different people. I agree with previous speakers who stated that, from an Irish perspective, the main aspect of CAP reform related to the protection of rural communities in order that they might survive and meet the challenges that lay ahead.

The CAP accounts for approximately 50% of the European Union's budget and covers a wide range of expenditure areas which are divided between pillars I and II. Since the CAP reforms of the mid-1990s which were initiated by the then Commissioner, Mr. Ray MacSharry — another man who came from a rural background — there has been a shift towards direct support in the form of premium payments. The current single farm payment comes under pillar I and replaces the individual payment schemes.

The discussions under way will lead up to 2013. Ireland's vital national interests will be debated during that period. Whatever shape it takes, the reform of the CAP will mean the country will be obliged to adopt a bottom-line approach because said reform cannot be seen to endanger in any way farm incomes or rural communities.

In the interests of obtaining an indication of the importance of payments under the CAP, I sought some statistics in respect of those in receipt of them. Ireland and Greece are among the major recipients of CAP funds. This is despite the fact that in 2006 agriculture accounted for just 3.1% of GDP in Greece and 0.9% in Ireland. There is a view that much of the CAP money goes to the biggest farmers, namely, large agribusinesses and hereditary landowners. It has been calculated that 74% of the funds goes to just 20% of EU farmers, while at the other end of the scale, 70% of farmers share just 8% of the funds. The Commission states this is heavily influenced by the funding for farms in the new member states. From the perspective of the national interest, this aspect is going to present a challenge for the Minister for Agriculture, Fisheries and Food in the negotiations that are due to take place.

The most recent reform of the CAP occurred when agreement was reached in November 2008 on the introduction of the health check, which incorporated a scheduled review and adjustment of the mechanisms of the CAP which were intended to improve, reinforce and build on previous CAP reforms and include further decoupling of direct farm payments from production

in sectors such as arable crops and the phasing out of milk quotas by 2015. The health check also proposed reducing red tape for farmers through simplification of direct farm payments and the requirements of cross-compliance.

The issue of regulation continually arises when discussions with regard to the European Union take place. Members who have had dealings with those who have been obliged to complete the reams of paperwork and traverse various hurdles in order to obtain a small amount of money will be familiar with over-regulation. There is a view abroad that Ireland is a good member of the Union because it seems to adopt the various directives and regulations before many other countries. Perhaps it might be more accurate to state that as well as adopting them, we go the extra mile in implementing them.

For many years successive Governments fought against implementing a particular European directive. However, in January the Minister for the Environment, Heritage and Local Government signed an order in respect of the dispersal of surface water in one-off housing. In that context, some 98% of land in County Leitrim is marginal in nature. In other words, very little grows on it. The county is also unique in that under the initial layer of topsoil there is what is termed in common parlance as “Leitrim daub”, a substance otherwise known as mud, and its presence means there is very little downward percolation. As a result of the introduction in January of the order to which I refer, the refusal rate of the planning department of Leitrim County Council in respect of one-off rural housing has risen to between 80% and 85%. In a county that is more rural than urban the continued implementation along current lines of this code of conduct, the guidelines for which were drawn up by the EPA and now are being implemented by local authorities across the country, could sound the death knell for rural communities. The issue is wrapped up in this debate on the CAP and I wished to mention it in passing.

People in Ireland take a cross-party approach to this issue and references have been made to wearing the green jersey by all Members of the European Parliament, successive Ministers for Agriculture, Fisheries and Food and the Opposition spokespersons on agriculture. Whenever interests vital to the country's economy arise, there is no dissent and a unified approach is taken, particularly in respect of anything that tinkers or tampers with the Common Agricultural Policy. However, from a cursory glance at the websites that have been set up to explain and discuss the CAP reforms one will find that there is a growing and highly significant lobby that is gathering a head of steam to challenge the continuation of direct farm payments and persuade the powers that be in the European Union and individual member states to stop or redirect them. One aspect of this trend is that the Lisbon treaty gives increased powers to the European Parliament in the area of co-decision, specifically in the area of agriculture. Heretofore, the powerful Committee on Agriculture and Rural Development of the European Parliament was able to deflect much of the criticism and efforts made to undermine the CAP during the years. However, on foot of these changes, the European Parliament will have a greatly enhanced role. My concern is that a successful assault on the CAP up to 2013, given our relatively small numerical representation in the European Parliament, coupled with the shift eastwards to the member states that joined the European Union in 2004, could have a detrimental and adverse effect on the payments coming directly into rural communities in Ireland.

Moreover, one does not need to go as far as mainland Europe to find opponents of the CAP. The Department for Environment, Food and Rural Affairs in the United Kingdom makes the point with regard to the health check:

We were ... disappointed that the Health Check was unable to go further in reforming the CAP, and we are concerned about the market distortions created by the increased flexibility

[Senator Paschal Mooney.]

in the use of 'national envelopes' which allow Member States to reintroduce production-coupled payments to support specific farming sectors.

This provides an indication of where the United Kingdom stands on the CAP. The Department goes on to state:

In line with our Vision, the Common Agricultural Policy needs far-reaching reform, including the phasing out of spending on Pillar 1, with payments under a reshaped Pillar 2 of the CAP focusing on delivering environmental benefits that the market wouldn't otherwise deliver.

Pillar 1 includes direct income support, rewarding farmers' historic support entitlements, single farm payments and single area payments, while Pillar 2 pertains to the policy's environmental aspects. In this regard, I note the Government has gone a long way towards ensuring the payment of a minimum income to farm families who, in return, will improve the environment in which they operate.

I refer to comments made by the new Romanian Commissioner for Agriculture and Rural Development, Dacian Ciolos, in a recent exchange between the Committee on Agriculture and Rural Development and his cabinet. While on the face of it, he appears to be supporting much of what Members have been advocating in respect of the preservation of rural communities and the enhancement of the environment, I detected in the subtext that he was not as engaged in such support as were some of his predecessors such as former Commissioners Fischler and MacSharry.

A great challenge lies ahead for Ireland. There is momentum sweeping across Europe on the consumer side, aided by significant governments such as that of the United Kingdom, to dismantle the CAP that would have a detrimental effect on Irish farm families. I compliment the IFA on continuing to highlight the issue and wish its new president, Mr. John Bryant, every success. He has a loose connection with my home town of Drumshanbo in that his late uncle, Mr. Dick Bryant, was a bank official there. I have found that Mr. Bryant has the interests of small farmers in Ireland as much at heart as those of the larger farmers in the IFA.

Senator Feargal Quinn: I welcome the Minister of State. I have spoken on the Common Agricultural Policy during the years. Approximately ten years ago Herr Fischler appeared before the Joint Committee on Agriculture, Fisheries and Food. I criticised him for speaking for 20 minutes about food and agriculture without once mentioning the consumer. I have a small hang-up on the issue, that, to a large extent, Members are biased in this regard by being greatly influenced by the interests of farmers, rather than necessarily thinking of consumers. I will try to be more balanced this time.

I served on the expert food group which was established in 1993 to ascertain how we could best handle food production and which eventually led to the establishment of Bord Bia. It was then that I learned of Ireland's great ability to produce food and the huge opportunities that arose therefrom, albeit without guaranteeing it was all based on Irish produce as such. There are two different businesses, namely, the food business and the agriculture business. One of the reasons for my minority report on that issue was that there was a need to emphasise that Bord Bia, or whatever it was going to be called at that stage, ought to be established anywhere but under the aegis of the then Department of Agriculture and Food because the food business and the agriculture business were different.

The CAP is different and of tremendous importance to a country such as Ireland which has gained worldwide recognition in and a reputation for the production of outstanding agricultural

products. Such produce comprises Ireland's largest indigenous industry which affects us all. One need only consider the facts. A report in *The Irish Times* states, "Whereas official figures show the Irish agricultural sector made a surplus in excess of €1.6 billion last year, the [result] is that farming would have incurred a €200 million ... loss without the contribution of the EU". According to the Department of Agriculture, Fisheries and Food, nearly €2 billion was paid to Irish farmers and businesses under the CAP in 2009. Moreover, the level of aid under the CAP has maintained production in all rural areas of the European Union, with approximately 27 million people depending on agriculture for much required employment. It is worth remembering that farmers comprise less than 5% of the European population but use approximately 80% of the land of its territory. As other Members and the Minister noted, the CAP is of vital importance in securing the environment, including water, soil and air quality, for future generations.

I turn to the subject of food production. I have noted previously that the agrifood sector in Ireland is a massive growth area, given our inherent strengths. I was glad to see a new report entitled, *Pathways for Growth*, prepared for Bord Bia by Professor David Bell and Ms Mary Shelman of the Harvard Business School. It states Ireland should adopt a strategy of developing a world-class agriculture industry by 2016 and set itself the goal of becoming the most efficient, most highly innovative food and drink country in the world. The analysis concludes that the agrifood industry is failing to take advantage of its natural resource base and international reputation as a trusted supplier of high quality food products, in spite of the great work being done by Bord Bia. The key inhibitors identified are the fragmentation of both production and processing and the lack of a consumer focus. The report also identifies a clear lack of leadership. It states, "No one has stepped forward to articulate and champion a vision of Ireland as a player to be reckoned with in the world food market". While I have great admiration for the work being done by Bord Bia, this is a reminder that it is not enough simply to produce food. If one wishes to make it a success, it must be valued.

On the issues of food security and the supply chain, the CAP is vital in attempting to give Europe much greater food security. Members should consider the situation in Africa where the Chinese are buying up millions of hectares of land simply to grow food. I was not aware of this until I carried out some investigations.

In the coming decades we will face changing and accelerated demand worldwide caused by growing populations. The population of the world is now 6 billion and it is expected to increase to 9 billion by 2050. Demand will also be influenced by changing diets in emerging countries, the massive uptake in the consumption of milk and dairy products in China being just one such example. Another factor is the risks caused by climate change, particularly in other parts of the world. The position of farmers within the food chain must be examined given the immense buying power of only a few retailers, a business about which I know something.

Commissioner Ciolos indicated that he wants to move towards more local production and quality produce. His big idea is to ensure that CAP mechanisms help small farmers to sell directly to local shoppers, thus bypassing the big supermarket chains. He also wants more precise labelling to encourage consumers to buy local produce and move away from imports. It is interesting to note this development. I have some involvement in Europe on this basis and this change is happening not only in Ireland but elsewhere. It is a welcome development but the recent eruption of the volcano in Iceland shows the vulnerability of the supply chain. Supermarket stocks of certain fruits and vegetables became disrupted within only a few days of the eruption of the volcano. This disruption in supply is affecting a great deal of businesses. Retailers in Ireland buy a substantial amount of vegetables from Africa that it is not possible to produce here.

[Senator Feargal Quinn.]

I remember in one of our supermarkets being criticized by Deputy Rabbitte of the Labour Party for selling South African oranges during the Apartheid era more than 20 years ago. I told him we did not have a choice at that time of the year as we had to import such produce from the southern hemisphere but I told him we gave our customers a choice and that we were selling oranges from Chile. This was during Pinochet's rule and the Deputy said he would not touch those either. He would not buy produce from Africa nor from Chile. This is a reminder that the choices people have are consumer driven and that is the area to which I am referring.

I wish to deal with the issue of genetically modified crops. This issue of genetically modified foods is very much related to the CAP. The fact is that the world must produce more food. According to the UN, an increase of 70% in food production is needed by 2050 by which time it is forecast the world population will have increased to 9 billion. Food production is one of Ireland's strength and such increased demand presents an opportunity for us to develop this sector. We should be able to debate the issue of genetically modified crops and discuss whether crop productivity can be improved with science. I am not sure who is right regarding this issue but I am sure that we should debate it. We should not ban such a debate and I do not believe we are willing to do that.

Three reports published last month documented the benefits of genetically modified crops throughout the world. A review of peer-reviewed surveys of farmers worldwide who use the technology compared to farmers who continue to plant conventional crops, published last week in *Nature Biotechnology*, found that by and large farmers have benefited. Another report released last week by the National Research Council in the United States concluded that many American farmers have achieved more cost-effective weed control and reduced losses from insect pests. A survey of farmers in Brazil, which is a leader in the global adoption of genetically modified crops, shows benefits for soybean, cotton and corn growers. *The Guardian*, a British newspaper, reported that last year 14 million farmers in 25 countries grew genetically modified crops commercially, with more than 90% of them being small farmers in developing countries. The benefits were found to be greatest for small farmers in developing countries. The average yield improvements for developing countries range from 16% for insect-resistant corn to 30% for insect-resistant cotton, with an 85% yield increase observed in a single study on herbicide-tolerant corn. I mention this because we have excluded ourselves from such production. Genetically modified crops were also found to help agriculture play a crucial role in preserving the natural environment. This is an important aspect because people think that genetically modified crops will not help the natural environment but they do by reducing the number of insecticide applications on insect-resistant crops and facilitating reduced tillage on herbicide-tolerant crops. In March, the European Commission permitted the cultivation of genetically modified crops of a certain potato which was not allowed previously. Will we debate the issue or take an anti-science stance, which poses the danger that our agricultural industry could be left behind? I mention this issue because it seems clear an opportunity exists to develop this area. Máire Geoghegan-Quinn is the Commissioner for technology, science and innovation and I am confident she will say that such production makes sense. To do otherwise would be like saying we should not have had cross-fertilisation 200, 300, 500 or thousands of years ago when we started such production and that we must leave everything as it was in the past.

I also wish to deal with the potential of hills in terms of food production. It is worth noting there have been several calls in Scotland for better use to be made of hills in terms of producing food. Mr. Tony Waterhouse of the Scottish Agricultural College said he wanted to see a revival of the hill livestock industry as this sector could revitalise the rural economy on the hills. The National Farmers Union Scotland vice-chairman, Mr. Nigel Miller, put forward a similar message. He said:

There is an extraordinary amount of hill land available. A lot of it is not being used and, although it would be a big challenge, it could open up the way for new extensive farming systems to develop. Landlords could be encouraged by tax incentives to let land through limited-duration tenancies. We have to look at these options, otherwise hill farming will die.

Ireland does not have as hilly a terrain as Scotland. Nonetheless, perhaps we should exploit its potential much more in terms of tourism. One need only think of the market for hiking and hill walking in countries such as Germany and Switzerland. The CAP is much wider than we have generally thought in the past. We must make sure we cover all the area under its scope. There is an opportunity to develop our food production under the CAP. We are going in the right direction but we have a lot further to go.

Senator Ned O’Sullivan: I wish the Minister of State, Deputy Cuffe, who was in the Chamber earlier, well in his food and horticulture portfolio, as the spokesperson on this side of the House for this area. I note his announcement last week of a renewed grant of €3.8 million for the horticulture sector. He is following in the direction of the good work of his predecessor, the former Minister of State, Deputy Sargent. I welcome our colleague and friend the Minister of State, Deputy Finneran.

I listened to most of the debate on the monitor and it has been interesting and wide-ranging with many useful and constructive comments having been made by Members on all sides of the House. I welcome in particular the positive support of the main Opposition parties for the Minister of State and the Government on what they have called a green jersey issue, which it is. It is an important issue for the nation that the CAP post 2013 will be as user friendly and as pro-Ireland as was the last one. That will only be achieved with a hard fight and, therefore, a united front is most important and greatly appreciated.

I acknowledge the good work of Bord Bia and the other agri agencies in promoting the image of Irish food abroad. As has been said on several occasions, we are an outstanding producer of a first-rate product and are entitled to and fully deserving of all the supports we have received from the EU over the years.

The debate took a scenic route for a while. I listened to the contribution of my colleague, Senator O’Toole, who raised the interesting issue of whether we in Ireland too slavishly follow the EU regulation to the letter of the law in terms of how we present our food. He instanced how the French display fruit and vegetables of various sizes, while we want them all to be uniform in size. Some of the joy in food production is lost when there is too much regulation. In that respect, the continued development of the farm market and country market sector must be supported and applauded. It is a growth area, whether it be a weekly farm market in a small provincial town such as one from which I come or the regular markets in Temple Bar and other parts of this city. They are wonderful and they sell Irish products in the main. They provide fresh produce for housewives. I wish the same could be said for fish produce. We have an abundance of fish but fish produce does not seem to percolate on to the tables of householders. The suppliers always seem to have run out of fish. At least, that is the complaint I hear from my wife, although perhaps she does not get up early enough in the morning. That is an area that could also be examined.

Senator O’Toole also referred to Brazilian beef. Members will be aware that talks on a Brazilian beef quota are currently taking place. I have never been anti any country. I have nothing against Brazilian beef or the Brazilians so long as they play on the same level pitch as us. Irish farmers adhere rigorously to regulation in respect of hormones and so on. One would have to be totally satisfied the same standards were being met in South America before agreeing to allow entry to that competitive element. If they do not meet the same standards expected

[Senator Ned O'Sullivan.]

of Irish farmers, they should not be allowed in. I am sure the Department will be vigilant in this regard.

Reference was made earlier to our anomalous situation in terms of our grant aiding and supporting inactivity. We are in many instances paying people not to produce, which is a matter of concern given half the population of the world is starving. I am sure this will be an issue that will inform the debate on CAP and which we might have to fight hard to counteract. I do not believe the Minister's job is easy.

Since its inception, CAP has guaranteed Europe's essential food supply. Ireland, as a leading supplier of high quality food, has most to gain from EU support for the agri-sector. We are the supplier and we must be supported. Our entire farming activity is predicated on continual support from Europe. While change is not unwelcome, it must take cognisance of the fact that Ireland is a supplier to the bread basket of Europe and the world. It was recently leaked from a draft European document that Europe is stiffening up for serious change in regard to the administration of CAP and how grants will be computed in future. The Minister is rightly alert to this and has already consulted widely in this regard with people in the farming sector. I am aware also that the new consultative committee on CAP will meet next week for the first time. The Minister has been proactive, on which I commend him.

The expression "green jersey" was mentioned earlier by Senator Bradford. We will have to get behind the Minister and work as a team on this. I know that the farming organisations, the IFA and ICMSA are anxious for the Minister to succeed. It is important we speak with one voice and that there is no fragmentation in this regard. There is nothing worse than reading of the difficulties being experienced in the small hours of the morning by the Irish negotiating teams in Brussels. This is too important for that. The Minister is leading the national effort and it is important he receives our full support.

The new member states want a new deal and for grants to be readjusted in their favour. There is no denying they have a case. However, we will be the net losers of any gains made by these member states. We are heavily dependent on agriculture and have given much in terms of food production. We would be serious losers should there be a major realignment by 2013. We are in the dark in terms of the proposals being made. The tom-toms are beating. People want to move away from the historic 2002 criteria and introduce a new system that will have a flattening-out effect. As the Minister said in his speech, this might not affect the dairy sector but it would have serious repercussions for beef and other commodities *vis-à-vis* the west and the east. Whereas the new member states have a right to seek readjustments, this cannot be done in a vacuum. We cannot afford to be net losers of CAP unless there is a complete reappraisal of EU aid for all countries on all programmes. If Ireland is to be the fall guy in terms of CAP, it can then make a case for a total realignment of Structural and Cohesion Funding, peripherality compensation and so on. One cannot consider only one issue in respect of which Ireland would be seen as gaining. We cannot consider CAP on its own but must examine the totality of European funding and support.

There has been criticism of the fact that we are basing our claims on 2002-2003, which is the only criterion related to activity. Farmers are rightly insisting that EU grants and support be targeted at active farmers. An issue brought to my attention during my preparation for this debate is that people active in farming, as opposed to conglomerates, are the ones who should receive supports. I do not wish to repeat what has already been said by other speakers. Ireland is proud of what it has given to Europe in terms of a high quality product, modern technology, progressive farm methods and sheer hard work. No one in the world works harder than the Irish farmer. If the EU were to introduce new systems that would in any way jeopardise Ireland's output, quality and tradition of feeding Europe, it would be doing a disservice to

Ireland, itself and the world at a time when starvation is a reality for millions of our fellow citizens. I wish the Minister well.

Senator Paddy Burke: I welcome the Minister of State, Deputy Finneran, and acknowledge the interesting points made earlier by the Minister, Deputy Smith, in his speech. I welcome also the opportunity to say a few words on CAP. This is an important debate, for which I thank the Government side. As stated by previous speakers, agriculture is the largest indigenous industry in Ireland. Why then should we not give it prominence? It is only right and fitting that we have a proper debate on CAP reforms.

I congratulate Deputy Michael Creed and my party leader, Deputy Enda Kenny, on engaging on this issue throughout the country. They have held several public debates on CAP reform. I attended a public meeting in Claremorris which was attended by approximately 600 people from the ICMSA, IFA, ICA, other organisations, press and so on. It was an important and interesting debate at which the IFA, ICMSA and ICA representatives and journalists made some important points. It is important all of these debates are filtered into the proposals to be put forward by Government in the context of CAP reform in 2013.

There is no doubt that we have witnessed huge changes in agriculture during the past 50 years. I recall there were once at least 400 full-time farmers in my parish of Mayo Abbey. I do not believe there is one full-time farmer in that parish today, as is the case in many other parishes throughout the country. There have been significant changes through automation and new machinery and methods. There have also been significant changes in world prices as well as a major shift in emphasis. At one time, every farmer had a few cows and sent some milk to the creamery. The creamery cans, which every household had, were collected. People had their own vegetables, potatoes, eggs and, in some cases, bacon. They were almost self-sufficient and in many cases all that was purchased was a bag of flour, sugar and tea. Farmers gave freely of excess vegetables and potatoes to their cousins and people living in towns. That is an era many Members of the House can recall. Now we have farm payments but no potatoes, vegetables or creamery cans. However, we have much farm machinery. We also do not have full-time farmers. There has been a major shift which will transcend into the new eastern European member states of the European Union. They will look for their pound of flesh when the time comes during the negotiations on the 2013 CAP reform.

An organisation which played a major role during the past 50 years is the co-operative movement. This is an area the Government should examine. The co-operative movement raised this country from its knees. We had big and small co-operatives for various items, including milk and vegetables, and even the credit unions came from the co-operative movement. It had a significant input into Irish society and the building of the new Ireland. The Government should consider supporting the co-operative movement and taking on board some of its ideas. It still has a major role to play. Some co-operatives became public limited companies or were privatised, but there is now a shift back, and Glanbia is returning to being a co-operative and giving its milk processing back to shareholders and the co-operative movement. The Irish Co-operative Organisation Society, ICOS, has also played a significant role. It has made a submission to the Government which should be examined very closely. It has tabled very good proposals.

As Senator Bradford stated, we should consider the three areas of sufficient food supplies, high quality food and doing everything possible to keep family farms intact. We all have our own ideas of what a family farm is about and it is important to this country, whether it is full-time or part-time. In most cases, a family farm is not let out of the family and people do not want to let go of it. We must bear this in mind.

[Senator Paddy Burke.]

This country has come a long way in the production of high quality food and it costs an enormous amount of money to produce high quality food to the level it is produced to in this country. This is why it is our largest indigenous industry. We have stuck at it, put quality standards in place and persevered. Europe has helped us with this. One who travels to Europe occasionally looks for Irish products and if they are available, one will buy them. Bord Bia has an important role to play in the promotion of Irish food abroad. We are an exporting nation. We produce more than we can use so we must export it. We must have a good product and, as Senator O'Toole stated, we are up against world trade prices and countries such as Brazil and Venezuela which produce massive quantities of very good quality beef. That will enter this market, as did New Zealand lamb. We must be able to compete with these and this is why supports are very important. The Government must seriously examine keeping supports in place.

The submission made by ICOS is very important in terms of keeping supports in place in the lead-up to the CAP reforms, especially with regard to milk production because as we have seen the number of milk suppliers are dwindling. As I stated earlier, there used to be a creamery can outside almost every house in the parish of Mayo Abbey. I do not think there is a full-time milk supplier in that region at present. There may be a handful of suppliers but I doubt they are full time.

The Minister, Deputy Smith, acknowledged that the support system worked in 2007 when the price of milk was kept up by intervention. If that had not been the case, we would have seen further milk suppliers leaving the industry. We must also take note of the weather and the high and low seasons of milk production. We have higher costs than other countries which have a longer high season than us. We have a shorter high season which gives us peaks and troughs. Processors have difficulty with production because they have either a glut of milk or no milk. These are the hardships they must put up with.

I compliment ICOS on the work done in the submission it made to the Government. It has made seven proposals which could help the Government stabilise milk production and increase it by up to 20% if the proper supports were put in place. ICOS proposes issuing contracts between suppliers and co-operatives; an order of priority; and where capacity is fully allocated and additional capacity is necessitated, those suppliers wishing to supply additional milk should contribute to the cost of the expansion. These ICOS proposals should be seriously considered by the Government, and ICOS is to be complimented on its submission. Mr. John Tyrrell is to be congratulated on behalf of ICOS and its board on tabling those proposals.

I am delighted we are having this debate on the CAP proposals. As I stated, it is very important. I hope it is not finished today and that we will return to it. The Minister was very positive in what he stated on some of the issues. He is well aware and up to speed with what is happening. The farming organisations will also welcome the opportunity to have an input.

Senator Fiona O'Malley: Like the previous speaker, I am glad we are having this debate because it is very timely that we examine the future of Irish agriculture. It is also very important that people who have no vested interest contribute to the debate. In that sense, I count myself as one such contributor as I do not represent a rural constituency but, as a Senator, the nation as a whole. Given that agriculture is such a vital part of our community, a point to which the Minister referred in his speech, and the importance of the network and community level involvement which agriculture represents, it is incumbent on all of us to be interested in the future for Irish agriculture.

We need to have a very broad overview as to what will happen. I attended the meeting of the Joint Committee on Climate Change and Energy Security today, at which the Minister,

Deputy Smith, is giving a presentation. Unfortunately, I did not have a chance to ask him a few questions, in particular on new departures in agriculture, such as forestry. I was very conscious of how farming today will not be the same as it was previously as a result of advances in practices. We need to be honest and real about this. The money which was previously available will not be available again. We need to develop sustainable ways of farming and agricultural practice. What I mean by the term “agricultural practice” is something that is all-encompassing.

We are agreed on the social importance of agriculture to the economic and social community. Therefore, we need to determine how we will keep people occupied on the land in rural areas, in particular, in an industry which is sustainable. It is never a good idea to have people dependent on subsidies, but we need subsidies which will allow us to kick-start a viable and growing industry. The Joint Committee on Climate Change and Energy Security discussed the issue of agriculture, in particular the new departures in our transport system, for which farmers can provide opportunities through growing bio-gas or miscanthus. It is something about which we need to get real.

In the Minister’s presentation to the committee he was quite adamant in saying he is not interested in dealing with the responsibility the agricultural sector has for our carbon footprint in the world. He said cutting down the herd is not an option, which I was glad to hear. Agriculture is universal and global, as is our carbon problem. What is the point in cutting the herd here because it suits our figures when we are importing beef or whatever from halfway around the world? We need joined-up thinking on the matter.

The major opportunity for the agricultural sector in Ireland centres on green energies. As I said, we need to have a system which provides a playing field for farmers to invest in long-term projects such as planting trees and forestry. I can imagine a farmer would be reluctant to begin a project which may not yield any income for many years. Naturally, there must be a stimulus package for farmers which must be based on a sustainable system, in terms of its environmental potential and, more importantly, its economic potential.

I read the IFA’s briefing, which stated farmers cannot be asked to produce products at a rate which is lower than the cost of production. When I read that, my response was that nobody is forcing them to do that. Clearly, the normal parameters of a market economy do not operate in agriculture. One would not continue to produce something at a loss to oneself. I am slightly confused as to why farmers continue to operate in that way. Why would they not diversify into an area in which there is more money to be made?

I heard an earlier speaker refer to the fact that in Ireland we can have a *cachet* for quality. We can produce products at a very high standard. We supply the gourmet market in France, in particular. However, we are not very good at selling the quality things ourselves and recognising and appreciating the value added we can get on the bare minimum cost of a product.

On beef quality, about which I do not know a great deal, one knows basic facts, such as that while Brazilian beef may be very good to taste, it is a different product to what we have in Ireland. Rearing cattle in the open is much more beneficial than keeping livestock indoors, which is the case for a lot of the meat which is produced. We need to add value. If one knows one is buying an Irish product, one is getting added value. Therefore, we should encourage farmers into the high end of the agricultural sector.

Many years ago I heard a farming programme on the radio early one morning at a time when there was a problem with Brazilian beef and the IFA was exercised about stopping it coming into Ireland. A man made a very interesting point; he wrote a piece comparing the situation to the Olympics. He said we should imagine cattle and markets were like the Olympics. In the Olympics, everyone is of the one standard; one is not allowed to take growth hor-

[Senator Fiona O'Malley.]

mones or performance enhancing products. It is not the case for cows. If one is at the Olympics, that is, the market, a Brazilian cow could be pumped up for performance without a problem, but an Irish cow is not allowed to enhance its performance in the same way because we have higher standards. Yet, both were able to go to the same Olympics, that is, the market.

That piece explained a lot to me. It is deeply unfair. If one is operating in a market, everyone should operate to the same standards. I have a great deal of interest in the developing world and sustainable agriculture within it, but to a certain extent markets in Africa, Brazil or whatever need to be developed in a major way. I can understand why the IFA became very exercised about not allowing beef with hormones or growth promoters into Ireland. People were operating to a different standard. I do not like protectionism of any kind, but I understand we need to keep a level playing field.

We need to be careful about what we allow into Europe, in terms of standards and quality. We are in a good position regarding our reputation, which we do not exploit enough in terms of the quality added value an Irish product can have. We should promote that in a major way through labelling. The European Union might take a dim view of this because we are meant to be in the one market together and cannot promote Irish products above others. However, at the end of the day we must protect our own interests at home and where we have an advantage over others we must use it.

We must not interfere with food production units or where and how food is produced. That is where we have, in some ways, gone too far in terms of land use, in particular in the European Union. We have moved in a big way into the green economy area. There are opportunities for people but we must keep firmly in view the fact Europe must feed itself. I have listened to many people who were involved in agriculture for many years, including when we joined the EU. What they have said is very interesting in that one of the goals of the Common Agricultural Policy should be that Europe can continue to feed itself and that we should not lose sight of that. It could be said that somehow we let that slip with globalisation and with many food products, which are cheaper to produce, coming into Europe from all over the world.

Part of the talks on the review of the Common Agricultural Policy will be about ensuring Europe can continue to feed itself. This should be the beginning of talks about the future of Irish agriculture. So often, it is all about the next few years, the next round of talks or the next round of funding and not about the long term. We should focus on what the future of Irish agriculture will be in ten years' and 20 years' time. We should keep our eye on that as well because there is no doubt that agriculture will continue to be an important part of Irish social and economic life. It is important we get it right and build a sustainable agricultural sector.

Senator David Norris: I believe I have already congratulated the Minister of State, Deputy Connick, but if I have not had that opportunity, I do so now and welcome him to the House. I am particularly glad he is present because, approximately one week ago, a very interesting meeting on safe food was organised by our colleague, Senator Buttimer, with John Dardis, the head political person in Safe Food Ireland, which is a North-South body. We discussed some of the issues around traceability and the impact of good farm products on the Irish diet and people's health. I know this is an issue in which the Minister of State has a particular interest.

Some people expressed surprise that I should speak about agriculture but we all have our roots in the bog. My grandfather inherited three encumbered farms and tried to make a living out of farming. I know something about the hazards of that particular way of life.

I thank the IFA for the very interesting briefing it gave. I will not rehearse the entire thing because I am sure Senators have put much of it on the record. In my experience, farmers are direct and simple people who are capable of giving clear expression to complex ideas. I just

met a group of them in the visitors' bar where I was looking for a group of taxi people who wanted to brief me and said they would see me there. I did not meet them but I met the farmers who had some interesting things to say to which I will refer presently.

For all the excellence of the IFA's briefing, it over-estimates my intelligence in terms of the acronyms involved and the very dense language. I puzzled myself in trying to reach an accommodation with what is very complex language. It stated that the two central issues for it are maintaining the real value of the national envelope covering both single farm payments and rural development which is worth €1.7 billion per year. I am sure there is an easier way to express that or a way for it to give a glossary of these kinds of terms.

I can quite easily comprehend the next issue, which is that for individual farmers, the key issue is securing the full single farm payment and continuing to pay it on a historical basis. When one gets into the substance of the document, however, there is a lot about various axes, pillar two, flexibility within member states and so on. The idea of a single farm payment modulation could be expressed simply. I am a supporter of the society for the protection of plain English and suggest it would be useful in dealing with briefings for Members of the Oireachtas if the IFA kept it as simple as possible because not everybody has a direct connection with farming matters.

I support the CAP and the Minister in his entry into the current round of negotiations. I support, in particular, subsidies which are accurately targeted and do not negatively impinge on the developing world. There is a balance to be struck because some of the agricultural policies of the European Union have been perceived as having a negative impact on countries which are sometimes described as the Third World. In conscience, we need to ensure as far as possible that this does not happen.

In a troubled and difficult world, it is very important to maintain the agriculture sector. It has had a very difficult time. Throughout the past year to 18 months, a succession of farming groups have received cuts in their wages even before the real impact of the crash, and I am sure the Minister of State knows that because he will have met some of these people. For example, I have no idea how sheep farmers continue to live on the dwindling returns they get for very heavy work and substantial investment. I do not believe anybody in Leinster House would be prepared to work for those margins.

The other significant factor is the dearth of young men and young women going into farming. It is no longer a tradition that is passed on or, in many areas, seen as a viable option for young people of talent, which it should be. We should support young people in every way possible to ensure they go into the industry and continue the tradition of farming. That would guarantee a stable rural society and food security in the future for the citizens of Ireland. That may very well become an important item in the programme.

We need to look at sustainable food production, especially in a manner that is environmentally sustainable. We should brand and promote the excellence of Irish products, in particular Irish beef. We do not use particularly intensive methods and we are closer to the natural rhythm of life. We do not use chemicals, hormones and so on to the degree which other countries do, including Brazil. I congratulate the farmers' lobby on having had the initiative to go to Brazil to investigate what is happening, to go to the farms and to illustrate on the Saturday morning farming programme on RTE that the traceability of Brazilian beef scarcely exists. At least in Ireland, we can be secure and trace our major food products, including beef.

I wish to raise the concerns of my friends of approximately 15 minutes ago. I was looking for taxi men but instead I found councillors from County Limerick. I did not know at the time they were councillors and I still do not know to which party they belong, if any.

Deputy Seán Connick: They were from my party.

Senator David Norris: They were the Minister of State's lot. That is fine by me. I am not prejudiced at all. I am totally politically promiscuous, as the Minister of State knows. I have friends in all parties and do not believe I have too many enemies in any of them.

These people were involved in beef farming, both dairy and meat production. The point they made was that the new grading system introduced by the EU seriously prejudices their interests. They used a certain amount of technical jargon which I complained about in regard to the briefing from the IFA. One fellow could see that I was a bit dazzled and he said he would put it simply. He said that if he turned up at the mart with a lorry with 15 animals in it, in the old days he got more or less the same price for the lot. He said that now the grading system has become so minute, particularised and sophisticated, he would get 12 different prices for the 15 animals. This makes it difficult for the farmer to organise his budget. This is information I have received by accident direct from the coalface today. We need to review the system of grading.

Having mentioned Brazilian farming methods, I will comment briefly on American farming methods because they serve as a warning for Ireland where farming is a great tradition, including in my family. The United States has moved away from small farms and small farmers hardly exist any longer. What one has are corporations and enterprises that are quoted on the New York Stock Exchange, vast ranches, highly artificial methods of production and tasteless beef. Chicken, on the other hand, sometimes tastes of fish meal. When one puts a forkful of it into one's mouth one thinks one is eating cod, which is most unpleasant. One also has watery eggs and there is little in terms of guarantees.

Where intensive farming is used — this is particularly true of the poultry industry as opposed to the beef industry — the corporations operate a high security system and will not allow investigation by members of animal welfare organisations because they are ashamed of the practices used. This is not only a matter of humanity and dealing with our relatives down the DNA chain. Animals are our relatives, have feelings and deserve respect. It is not only a matter of showing respect for the rights of our fellow creatures but also of the effect the practices in question have on the quality and taste of animals. We must be aware of the American approach which has squeezed out small farmers and created huge ranches. I would hate to see this happen here as it would be bad for agriculture, production, consumers and, most certainly, rural society.

The Minister framed this debate in the context of a European Union budget review and the new EU financial perspective for 2014 to 2020. This makes it an important discussion. The Minister also committed himself to an objective that is dear to my heart, namely, the preservation of family farming in Europe. There is, however, a political dimension to this issue. If that were not the case, the matter would be redundant for those who have a view of farming at one remove. We are all interested in the political dimension and support the Minister of State, Deputy Connick, and his senior colleague in what they are doing. They have worked politically to create a support network among other Ministers in Europe for a strong and properly resourced Common Agricultural Policy after 2013. I was heartened to read in the Minister's contribution that, after the meeting of the group of 22 like-minded EU Agriculture Ministers in Paris in December, there was a feeling of cohesion. In other words, we have allies in Europe with whom we can work in the interests of European agriculture.

As I stated, there are a number of significant elements to this issue on which the Minister will have been briefed. He will also have been told by my colleagues about the importance of rural development funding, young farmers and sustainable food production, about which I have spoken.

The Brazilians are among the world's major exporters of beef and the European Union is the largest importer of Brazilian beef in the world. This has an impact on our agricultural sector and, through deforestation in the Amazon basin, on the environment. Having had the privilege of visiting the Amazon basin, I have seen its beauty and remarkable capacity for sustaining life in all its forms. It is a very important resource in terms of drugs, plant life and so forth. The cattle sector is responsible for 80% of deforestation in the basin. This is a further reason for Ireland to sustain its beef industry, even if it is at the expense of our neighbours, albeit not very close neighbours, in Brazil.

I commend the Minister. All sides in the House will support positive moves. I hope that in this troubled and difficult world, we will take wise and judicious measures to secure a supply of good food, encourage agriculture and ensure young people enter the farming sector.

Senator Jim Walsh: Cuirim fáilte roimh an Aire Stáit. I congratulate the Minister of State, Deputy Seán Connick, on his appointment. He and I served together on New Ross Town Council more than a decade ago. His business acumen, ability and affability will stand him in good stead in his new position. We are fortunate to have an individual of his calibre in the Department at a time when serious challenges face the agriculture sector. The Minister of State and Minister, Deputy Brendan Smith, will be of tremendous assistance in ensuring Irish agriculture is not seriously disadvantaged as a consequence of the review of the Common Agricultural Policy from 2013 onwards. The determination and interest the former has shown in serving people at local level will transfer to the national level. I have no doubt he will serve with great distinction and wish him well in that regard. It is a pity the Gallery has been vacated because many of the Minister of State's friends and neighbours from adjoining parishes in south Kilkenny have just departed and would, I am sure, have liked to have been acknowledged.

Senator Norris and others noted that during the transformation of national economic life in the decades after independence the agriculture sector was the main driver of economic activity. While the position has changed in recent decades, the sector remains of major importance.

Agriculture is well served by its representative associations, notably the IFA and ICMSA, and other rural development groups. These organisations have become extremely proficient and professional in the manner in which they pursue the interests of their members. These attributes will be required in the debates on the forthcoming reform of the Common Agricultural Policy. I and most Members will support these bodies in the pursuit of their objectives, specifically the maintenance of a fully funded, index linked CAP budget post-2013. The IFA and ICMSA are also anxious to ensure that family farmers are not forced to produce below the cost of production. This is a major challenge and will probably become a key issue in debates between consumers and producers in the European Union given that countries that are net consumers tend to seek to drive down prices.

The development of the co-operative movement over the decades has done much to ensure produce from our agriculture sector secures the added value necessary in order that the benefits of exports accrue to the economy generally.

We all support the continuation of sustainable and viable food production, which is among the objectives of the farming organisations. They are also anxious to ensure that the annual allocations of €1.5 billion for the single farm payment and €100 million for rural development continue. An extra production link payment for vital production systems, including suckler beef and sheep, is also on their agenda.

They are looking for a continuation of the co-financing commitment by the Government.

Recent events within the EU cannot be ignored, even though there has been a certain amount of posturing involved. Leaked Commission draft papers certainly have raised concerns,

[Senator Jim Walsh.]

as major policy changes were advocated including lower funds for the CAP. While they may be early drafts, they are significant and we need to be cognisant of what is happening. A timetable has been set out wherein formal communication will come from the Commission this summer, followed by legal proposals in 2011. The challenge this time around is greater, because we are facing a larger number of countries than before. As there are now 27 EU member states, there is great difficulty in getting consensus on any issue. That is addressed to some extent in the Lisbon treaty.

As somebody who is critical of our public service from time to time, I must acknowledge that those who have assisted in negotiations with the EU have generally done a very good job and served this country very well with their acumen, their ability and their determination to ensure the deals that were made served the national interest as well as the European interest. The Minister and the Minister of State have the personalities to build the contacts and the relationships that are essential at EU level to ensure the interests of the agricultural producing countries are very evident in the outcomes of those deliberations. France has been particularly supportive in the past, and while we may have differences with countries from eastern Europe on redistribution, countries like Poland will have a strong emphasis on family farming and that is important. The idea of being a guarantor of food security is essential, and the support of EU family farming is extremely important in that respect.

Senator Norris and others referred to the agriculture industry over the decades. I spent most of my school holidays on a farm in south Carlow. They were very small holdings and the people there lived in unserviced houses, and it gave me an insight into the culture and thinking of people in that rural area. There was a very distinct self-sufficient feeling and an air of accepting their lot, which was one of very limited financial resources at that time. However, they were rich in culture and personality. Listening to the story telling and so on, I often thought that young people in better times in Ireland could benefit from some of the education which that process provided.

Senator Quinn made some interesting points about the increase in world population from 6 billion to 9 billion by the middle of this century. When we look at the extent of the current population of the world that is starving, this population increase will require a co-ordinated global management system to ensure our agricultural sector is producing the food at the right price in order to cope with that increase. There is a significant statistic which shows that the importation of agricultural foods from outside the EU is worth about €70 billion annually. The cost of the CAP is about €55 billion. We import more than many of the other countries, including the USA, New Zealand and Australia put together. This is an issue that must be taken into account to ensure the family farming structure in the EU is maintained in the negotiations and is not sacrificed to cheaper food from outside the EU, which may not be sustainable and which may have an impact on climate change.

I wish the Minister and his colleagues well in this area. The House will be returning to the topic in the not-too-distant future as this debate rolls on.

Senator Joe O'Reilly: There is a very poignant background to today's debate. A leading member of the agri-industry, the largest pig farmer in Europe and a great member of our county community has died today. Patrick "Buddy" Kiernan would be very well known in agricultural circles and his death is a sad backdrop to the debate.

There is a number of core issues that merit mentioning as we look at this question. A total of €1.3 billion comes into this country every year in payments to agriculture from Europe. That is an extraordinary figure and one that merits preservation. Agricultural incomes have been on

the floor in recent years. The average agricultural family net income is €13,000 and that is not sustainable. It underlines the importance of the CAP to our farmers.

There is great potential for economic recovery through our agriculture sector, including our food sector, our value-added product and our grassland based product. Irish food has a potentially enormous market. The world population is growing enormously and feeding that population will be necessary. The potential for the Irish food brand to stand out must be great. We have a clean environment, good grassland production, a good reputation, and we have much to market.

There will be a co-decision dimension to CAP reform and the European Parliament will be involved in it. This makes it incumbent on all of us to lobby our respective groupings in the European Parliament. As Senator Bradford pointed out, it is a green jersey issue. The Commission is reviewing the European budget, and it is critical that agriculture holds its portion. It is encouraging to learn from the Minister that 22 like minded member states have recently come together in support of the Common Agricultural Policy. This is good news. As the world population figure of 6 billion is expected to grow to 9 billion, obviously food security in Europe is a major issue. It should be a pillar of our future position.

There are dark clouds on the horizon in that the South American states around Brazil have come together in an effort to re-enter the European market. While we have no objection to free trade and the development of their agriculture sectors, we need to be particularly vigilant, given that there have been critical meetings of a number of South American states in recent weeks. Our contention must be that the same standards of veterinary and environmental compliance and animal welfare should apply in countries from which we import. This is critical to the concept of a level playing pitch that we should advocate. While the flood of Brazilian beef has been halted, the problem may be emerging again, with enormous implications for the beef industry here.

The bottom line for Ireland must be the preservation of the single farm payment. If we need to concede a little, the wise money suggests we should concede that we might look at having a maximum payment, not modulated payments. That would involve the maximum figure anybody could receive, but we would be equally conscious of the need to maintain a very sensible minimum payment in order to preserve basic incomes. The bottom line needs to be preservation of the single farm payment, although people talk about preserving the environment by other methods, etc. It is worth mentioning that cross-compliance is required to receive the single farm payment. Farmers are required to be compliant with environmental standards for water quality, etc. The preservation of the environment and the production of healthy and good food are achieved under the existing single farm payment system. This is a point we need to reiterate strongly at European level.

I pay tribute to Deputy Creed for organising meetings on the Common Agricultural Policy around the country. Last week I attended one such meeting in Castleblaney chaired by my constituency colleague, Deputy Crawford, who is an expert on agriculture, given his background in the leadership of the IFA. At the meeting Mr. Matt Dempsey of the *Irish Farmers Journal* said that if a flat-rate payment, towards which there is movement, particularly in eastern European countries, was introduced, this country would lose at least 20% of its payments. Obviously, the bottom line for us is retention of the single farm payment, although we might look at having maximum and minimum payments. The point was well made at the meeting which was attended by several people with expertise in the area who said land values would fall greatly and that we would lose considerable amounts of money if a flat rate payment was introduced. They also made the point that if we were to renationalise the Common Agricultural Policy to the degree that each country would decide on its own payment levels and make its

[Senator Joe O'Reilly.]

own payments to its own farmers, we would also lose in the allocation. Therefore, we need to preserve the *status quo*.

It is good that we have 22 countries on board supporting us. There will be a united position on the part of the IFA, the ICMSA and all the political groupings here. The Irish view will be united on this national question, on which our entire livelihoods and the future of the country depend. Irish agriculture has great potential. The world population will need to be fed. As the years go by, there will be greater demand for food from a healthy environment in which production is green grass-based and without the level of industrialisation achieved and pollution in other countries. There is great marketing potential, based on the nature of farming here and its traditions.

There is a case for considerable investment in innovation. We are not doing enough in the food sector in terms of investment in innovation and research. We need to ensure the Irish label stands out and eliminate the process whereby a few breadcrumbs are put on food and it is rebranded as Irish when it has been imported. I appeal to the Minister to take these considerations on board as we develop an Irish position. There is probably nothing of more significance to the areas represented by Senator Carty, the Leas-Chathaoirleach and me which cannot survive without the CAP.

Senator Rónán Mullen: Ba mhaith liom fáilte a chur roimh an Aire. Seo an chéad uair dom bualadh leis sa Teach seo. I welcome the Minister of State.

I am very glad to have an opportunity to make a statement on the Common Agricultural Policy and that this House has an opportunity to discuss an issue of such strategic importance to the economy and the future of rural areas. I know this will be one of a number of such debates we will have. Rural areas have been subject to a disproportionate amount of the pain during the current economic crisis. The implosion of the construction sector has hit employment in rural areas hard, while the collapse in the value of sterling has impacted negatively upon Ireland's food exports and prices paid to farmers. Unprecedented volatility in commodity prices, in particular the price of milk which has only recently begun to improve, resulted in the incomes of farm families being slashed.

To understand fully why rural areas are suffering so much one must understand the nature of employment in these areas. Some 42% of the population live in rural areas, but these areas account for a mere 28% of the total number of employment opportunities. In urban areas women form a slightly larger percentage of the workforce than men, but in rural areas men form a much greater percentage — approximately 60% — and many of them were working in construction. Rural areas are, therefore, feeling the pain and the agrifood sector is one of the few palliatives available to ease it.

The agrifood sector is of fundamental importance to the economy. Almost 50,000 people are directly employed in the food and drink sector, with a further 60,000 employed indirectly in all regions of the country. The industry uses 90% of the output of Ireland's 120,000 farmers. In 2008 it accounted for a figure of €8.3 billion or almost half of all purchases of Irish goods and services offered by manufacturing industry. It is one of the few major industries controlled mainly by indigenous companies. While the agrifood sector is of importance now, it will become even more important in the future.

The world not only faces a global credit crunch, but also population growth in the Third World, the rate of which will only begin to decrease by 2050. The impact of climate change and peak oil also need to be considered. Paradoxically, tackling some of these global challenges offers real opportunities for rural areas. The world's population is predicted to reach a figure of 9.2 billion by 2050, thus creating an enormous market for Irish food producers. After 2050

it will decline, massively so in Europe, which means exports to countries outside the European Union will become key. Furthermore, the need to move away from fossil fuels offers opportunities to Irish renewable energy companies to exploit Ireland's potential to grow biomass for fuel production.

We need to look at new ways to develop the food sector and maximise the number of jobs we create from what is, after all, our greatest indigenous industry. The development of the sector has been hindered by a view in some Departments that agri-food is a sunset industry and merely a means of providing subsidies to farmers. This is a nonsensical view which is not shared by the Minister of State or his Department. Agri-food is one the leading elements in the smart economy and the best of our dairy farmers are among the best educated and professional workers in the State. The industry is a leader in research and development of new food products and ingredients.

If one speaks to a dairy farmer, the first thing that may strike one is how knowledgeable he or she is about global economic affairs. Dairy farmers know as much about the strategy of Fonterra, the New Zealand dairy company, as they do about the local hurling club and are as much concerned by growth in China as by prices in the local mart. The reason is that the price of milk is set as much now by international markets as by Glanbia. Price and income volatility in agriculture have increased greatly since the 2003 CAP reform, with a decoupling of payments from production and greater exposure to an increasingly liberalised and unregulated world market which threatens the viability of the family farm structure. EU policy makers must learn from the experiences of recent years and mend CAP structures appropriately to counteract this volatility. EU food security can only be attained through promoting policies that secure the production of sustainable high quality food produced in Europe for European consumers.

After 2013, the Common Agricultural Policy should form a framework that will enable Ireland to develop fully its sustainable grass based agricultural potential while equipping farmers to work and survive in an incredibly volatile market place. Ireland's grass based production system ensures that Irish agricultural production is much more environmentally sustainable than that of other key exporting nations such as Brazil, Uruguay and Argentina. CO₂ emissions per kilo of beef are twice as high in Brazil and CO₂ emissions per kilo of milk are five times greater when compared to Ireland. The EU is the biggest importer in the world of agricultural products from non-EU countries and Brazil is the largest beef exporter into the EU. The rapid growth of beef production in Brazil in recent years to facilitate the major growth in exports to the EU and other countries has resulted in the destruction of thousands of acres of Amazonian rain-forest, as noted by Senator Norris. The cattle sector is responsible for 80% of all deforestation in the Amazon region which, as the Senator mentioned, has removed essential forestry carbon sinks.

In a policy environment where climate change measures are being negotiated and agreed the demand for sustainable food production is rising. Irish agriculture is well placed to meet this challenge and must be supported to ensure the continued production of food produced with low emissions for the EU market. In any negotiations on the future of the CAP we can and should play the green card. As Senator Bradford said, it is a green jersey issue. The card is not that of Irish nationalism but of sustainable food production. If we do this we can create and secure a brighter future for both Irish agriculture and rural Ireland in general by creating employment and contributing towards balanced regional development.

I was very taken by Senator Bradford's excellent summary of the issues, in particular, his three "F"s — food security, food quality and farming families. I was present for the Minister speech and listened to it very carefully. It was very noticeable that the Minister is in a very difficult position and this was reflected by the great caution in the language of his speech. I

[Senator Rónán Mullen.]

was not just reading between the lines: it was clear that very tough negotiations lie ahead. The communication paper issued by the Commission last November already advocates major policy changes and lower funds for the CAP.

In the first place we find ourselves striving to find a unified position among the different interest groups in Ireland. I am grateful to the IFA for its excellent summary. Although I understand the organisation is anxious to maintain the historical basis for the single farm payment, I emphasise that we must look also at every method of supporting the entry into agriculture of talented young farmers and the promotion of land mobility. I accept there are issues that must be kept in tension. We are conscious we must show solidarity with countries within the EU that face even greater challenges than we do. We also must find a way to show solidarity with the developing world and ensure that our policies at EU level must not be selfish enough as to exclude their interests. That would be out of synch with our great tradition of missionaries and voluntary workers abroad, the great globalisation of the Irish humanitarian mentality.

At the same time, just as all politics is local the agenda must have a real emphasis on the value of local life and rural life, the value of being able to consume local food produce and how important that is for sustainable communities and healthy living. We may think of the concept of subsidiarity in other areas when we discuss the need to keep things local. That is especially true when we are talking about not only quality food but locally produced food. I was impressed with what Senator Ó Broilcháin had to say about the flying of broccoli although at first I was not sure what he meant. He made the point very clearly and cogently.

There are issues in tension with each other. They include our global vision of solidarity and our recognition of the demands of other newer countries within the EU but also our sense of the importance of maintaining our traditions and way of life. We must try to ensure the national envelope is maintained as high as possible while recognising that these negotiations will be extremely difficult and we must be realistic about the changes that are to come.

As a speaker from the west, I recognise that some, whose payments have been based on production, have probably done better in some parts of the country than in others. Obviously, I would like to see equity for farmers in the west in particular. It is very important we do not lose sight of that.

I assure the Minister of State of the good wishes of everybody on all sides of this House. We know what a difficult battle lies ahead but know also the importance of putting the best foot forward. The issue will be more difficult because of the new co-decision role for the European Parliament in the determination of the CAP. The Seanad will return to this topic with great interest and concern and will follow its progress over the coming months and years.

Senator Fidelma Healy Eames: The Minister of State is very welcome. It is my first time to address him in the House. It is interesting to note the number of speakers on this issue which shows how important the renegotiation of the CAP is to Ireland.

At present we get €1.3 billion from Europe in single farm premia. That is a substantial amount of money which helps many people in this country. I was encouraged to see, however, that the CAP represents less than 0.5% of the overall EU gross domestic product, GDP, budget. I would be very fearful that the CAP would end or that the single farm premium would be taken away from Irish farmers but am encouraged to see that it represents such a small amount of the EU budget and that 22 countries are already on board. The Minister of State might tell me when I finish which countries are not. If I were to guess I would say the giants.

I have seen farming go through enormous changes over the years. I grew up on a dairy farm and am married to a farmer. I saw a time when it was possible to produce in dairy as much as

one wished. Then there was the time of the milk lakes and beef mountains — oversupply — followed by the quota systems. As a result we went through control. Once a farmer is controlled he or she must be supported in some way to maintain an income.

I did not catch every speaker today but I listened to some, such as Senator O'Malley, who asked why we did not offer subsidies as a jump start. There are only two ways in which an Irish farmer can make money at present; through market price by getting the price for the produce, or through subsidy in the form of the single farm premium. I, too, have asked that very question. However, the fact is that the subsidy exists for the consumer not for the farmer. We must get that message out loud and clear. It is only because the farmer gets a subsidy in the form of the single farm premium — previously there were other premia — that the cost of food is not enormous. The consumer would suffer otherwise. The market alone will not allow farmers to realise enough money from their produce.

I spoke to a small number of farmers today in preparation for this debate and asked them why this issue is so important to us. The view was that the continuation of the fund was needed and farming cannot survive on its own in the country. We are a special case as our parcels of land are too small and we need relatively intensive farming compared with other countries in the EU. As a result, farmers are dependent on subsidisation.

For example, we cannot run one bullock to ten acres as we do not have the scope or the space. Other states in the EU have large tracts of land. I spent time in Romania which has very large tracts of land, and France and Germany are the same. I am sure the Minister of State will be part of the negotiating team when we go to Europe and that team must come up with a two-way process that will ensure fair play for the whole of Europe and the Irish farmer. Negotiation between these two goals must be kept in mind.

Ireland, which has been part of the process for a long time, has its payments based on the 2000 to 2002 reference years. That will not work for the newer states, some of which have very large tracts of land. The negotiating team will have to be measured and one size will not fit all. The variations must be taken into account but we are a special case in that we cannot produce or remain viable without the subsidy and our parcels of land are small.

Decoupling has been a success, although there are different views on this as it has made it possible for farmers to plan. It is also possible to farm better with fewer animals in Ireland. Outside of the subsidy, we are totally dependent on exports to achieve a market for our produce, and our exporting is largely through meat plants. Beef and sheep farmers are the subjects of meat factories and, when a person is the subject of anything, he or she is being controlled by it. The price is controlled like this.

Live export is our main hope because we are an island nation and it provides competition in the livestock trade. That is always under threat and especially at times by the Minister of State's partners in Government, the Green Party. We must consider the issue because farming is so volatile. As a member of a household reliant on farming, I can see how unreliable it is as a job and how significant are the costs. We are subject to so much volatility from the weather, disease and regulation. The costs are also significant so without a good renegotiation of CAP, many more farmers will leave the sector.

The more livestock that leaves Ireland on the hoof through live export, the better it is for farming and competition. It is not necessarily better for the economy. If we sell cattle and sheep through the meat plants, we keep jobs in the country and there are spin-off effects into the local economy. That must be borne in mind and there is a market control on us in the need to negotiate a good CAP deal.

These are reasons CAP is so critical and we are so dependent on it. We are, ultimately, talking about keeping farming viable and providing a secure food sector with good quality

[Senator Fidelma Healy Eames.]

food. Others have mentioned the growth in population across the globe, and by 2050 we will be up to 9.2 billion people. There should be an extremely healthy outlet for our food production, and, across the world, we have a great reputation for food. Our industry is based on grassland and we should make more of that. I concur with a former Senator who said we must spend a little more on innovation and research in the food industry.

We are fortunate that Máire Geoghegan-Quinn has the research portfolio in Europe and she should consider Irish agriculture and the food industry to see how it can benefit. Creativity is critical in leading to enterprise in this sector. Senator Joe O'Reilly mentioned putting a few breadcrumbs on meat but, with respect to the Senator, there is more involved.

There is a greater dependence on CAP now due to cuts and the mismanagement of public finances by the Government. Installation aid is gone, REPS payments are down 22% and headage is down by 25%. There is a mess in the farm waste management scheme and the suckler cow scheme has been cut, so we are pretty much on our knees.

Senator John Carty: It has not.

Senator Fidelma Healy Eames: The suckler cow scheme has been cut. The Senator is talking to somebody who would know. The Government has let farming down and off-farm employment has also dried up. We need to support the family farm and keep the sector viable in Ireland to provide for a good quality food reputation. I look forward to the negotiations and I thank the Minister of State for participating in today's debate, well in advance of the 2013 deadline.

Senator Paudie Coffey: I welcome the opportunity to contribute to the debate. I also welcome the Minister of State, who is from a neighbouring constituency in Wexford. I am sure he is well aware of the challenges facing farmers and farming in general. It is very important we debate this issue well in advance of the deadline. We should be fully informed of all issues relating to the debate and the matter should be properly discussed, not only in the Houses of the Oireachtas but also in farming organisations, among members and in farming families. As Members, we should always be listening to the concerns aired by farmers every day.

Farming is one of the indigenous industries in this country and Ireland has a great track record in farm practices and food production. In the current economic climate, farming could be prioritised. Instead of removing supports and grant aid for farmers, we should introduce incentives for young farmers to innovate and engage with new farming practices that will bring new opportunities to exploit the potential of our land.

Some speakers mentioned the direct payment system which is in place. Many farming families have become accustomed to the system and their financial structure and cashflow is built around it. I suggest it cannot be altered unless the possible alternative is properly thought through, especially as it relates to development-led grants or payments.

In Ireland there could be vast areas around the Golden Vale with significant potential for development but lands in mountainous areas could be disadvantaged and would not have the same access to development projects. I urge great caution in the area and we must be very careful that if there is an alteration in the direct payments, it should be properly weighted and there should be proper allowances for people in areas that may not have the potential to develop fully because of geography etc.

I will speak from the enterprise side of farming and focus on that area of the debate. I attended a day-long conference recently in Dunhill which was attended by the current Minister for Social Protection, Deputy Ó Cuív. It concerned sustainable rural development and dealt

with innovative ways of creating employment, keeping farms sustainable and keeping jobs in the heart of our communities. We can see how the co-operative society developed in Ireland over the years and it was a good example of farmers and their communities coming together to create jobs with a critical mass to make them viable and sustainable. There is considerable ongoing debate on whether farmers will take over the Glanbia co-op. In a recent vote, 73% of farmers voted in favour of doing that, just 2% short of the percentage required. I did not get involved in the debate because the decision on managing farmers' futures in co-ops is their own, but they should take control of their destinies. Opportunities exist but the Government needs to support farmers and give them the confidence to engage in such rural enterprises and activities.

Under the corporate structure of Glanbia, many smaller co-ops that were the heartbeat of communities closed. They were the places where farmers met every day, engaged with one another, exchanged ideas and gave advice. We cannot afford to lose them. If we do, the expertise and value in farming will be lost as well. We must develop this area.

According to the conference I attended, 50 jobs were created in a small rural enterprise called Dunhill Cuisine. Its model should be rolled out across the country because it is a small enterprise that takes produce from within a 20-mile radius. Farmers produce food as the primary basis for the produce while Dunhill Cuisine packages it and puts it into ready dinners that are sold to the wider public via supermarkets. Getting access to supermarket shelves is difficult, but Dunhill Cuisine has managed to do it and is now running a successful business. I spoke to the managers of the enterprise. It is creating sustainability in the local area and giving farmers a reason to produce quality food that can then be bought by the public or be exported.

Dunhill Cuisine's managers have an idea about school, hospital and prison dinners, namely, that Irish produce should be used. A system used across Europe involves companies cooking ready-made dinners and transporting them to the institutions in question. In these days of obesity and health concerns, in terms of which there will be significant expenditure, this is a fundamental and simple argument. We should give children and others in hospital good quality dinners instead of the processed foods that many of them are getting. We would kill not one or two birds with one stone but many birds. We would give farmers a reason to produce locally, create employment in the preparation and packaging of that product and create further employment in servicing the institutions. We should consider running it as a pilot project for schools or hospitals. I will pass Dunhill Cuisine's figures to the Minister of State, Deputy Connick, as he is interested in the subject. Issues such as this need to be examined.

I am framing my contribution in this way because CAP and direct payments assist farmers by giving them a cashflow to engage in production and to ensure there is a market for their produce. It is all related. I wanted to bring the idea to the attention of the Seanad and the Minister of State.

Farmers, especially young farmers, face significant challenges. The Minister of State and I know the problems experienced when the sugar beet industry left the south east. The impact has been considerable. Young farmers sustain their farms by working in the construction or manufacturing sector, but many of those jobs are gone and farmers are back on the land. We need to give them a real incentive to make money and become viable. This suggestion has potential if the political will to restructure regulatory systems is present. We always seem to jump in and let our European counterparts follow us. We need to step back as regards food. Farmers markets and food stalls are successful and generate a whole economy. Senator Quinn, who is in the Chair, is supportive of that initiative. We need to get back to basics in terms of determining how to promote Irish produce, finding markets and putting supportive structures in place. This will create a momentum and allow the rest to follow.

Senator Nicky McFadden: I welcome the Minister of State. I echo many of the comments of my colleague, Senator Coffey, on the issue of good quality food, a matter close to the Minister of State's heart. CAP encourages traceability, as was evident during the time of the Brazilian beef issue when we were able to stand over the quality of our beef and poultry products.

The spend to Ireland is less than 0.5% of the EU's gross domestic product, representing €2 per Irish person. I suggest that we get excellent value for CAP. It was introduced to ensure we would never run out of food like we did after the Second World War, but we went to extremes with our butter mountains, beef mountains, etc. Our good quality food is a result of CAP. We are also sustainable in terms of climate change and the environment. I applaud farmers for buying into the notion of maintaining the countryside to its current standard.

My time is limited, but I wish to raise the issue of the historical payments to farmers in respect of animals. Will the Minister of State comment on this matter? Turbary rights are being done away with in some areas, an action that will cause considerable hardship for some farmers.

After the recent serious frost, a horticulturist I know and his friends have been devastated. Potato growers were compensated, so why not horticulturists? The man in question lost plants worth €600,000 in total. Surely there is a grant somewhere to compensate him and his colleagues. What is the difference between them and the potato growers?

Many countries have joined the EU, but we must fight and shout loudly to sustain what we have. Our farmers need us to be their representatives and to shout for them at EU level.

Minister of State at the Department of Agriculture, Fisheries and Food (Deputy Seán Connick): I thank Senators for their contributions. I have been present since 3.30 p.m. and listening to the statements has been interesting.

I am fortunate to be a Minister of State at one of the country's most important Departments. This is a critical time for agriculture and fisheries. As Senators are aware, the Common Fisheries Policy, CFP, is up for review and most of my first seven weeks have been spent working in that regard. The work of the Minister, Deputy Smith, on CAP is ongoing, so we take our role in this respect seriously. Ireland does not have a significant amount of indigenous industry, but agriculture, fisheries and forestry are critical at this point because they present an opportunity for job creation and further development. During the coming months we will watch developments in CAP post-2013 and the CFP carefully.

As Senator Coffey mentioned, I come from a rural constituency in which the loss of the sugar beet industry has caused difficulties. We almost lost the railway line as a result. The various crises we have encountered have had a significant knock-on effect for the social fabric of areas not just in my constituency, but also in the adjoining constituencies. A number of farmers regularly visit my clinic, so I am fully up to speed on the difficulties they are encountering.

In closing this debate, I will address a number of further points. First is the importance of the agriculture sector to Ireland and the EU. Second is the measures we have taken to provide for a competitive and sustainable agricultural industry. The agrifood sector is Ireland's largest indigenous industry, accounting for 160,000 jobs, some 8.5% of total employment, and 16% of industrial sector output. It accounts for 10% of our exports with an estimated value in 2008 of €8.16 billion.

Senator O'Reilly referred to the fact that Ireland is an export-led economy. It is clear that our recovery will be dependent on growth in this area. Agriculture, as the primary source of input for the agrifood and drinks sectors, will have a crucial role to play.

Senator Walsh referred to the lobbying power of the IFA and the other organisations that represent the sector. These are hugely important organisations and they are extremely pro-

fessional in the way they operate. I look forward to working with them in order that we might maximise returns for the economy in the coming months.

The agriculture and food production sector is also hugely important in the context of Europe's economic and industrial recovery. The primary agricultural sector covers over 40% of the EU landmass — this rises to almost 80% if forestry is included — and is key to green growth and environmental sustainability. Primary agriculture alone contributes 1.9% to gross value added in the Union and 5.6% to employment. The sector is an essential platform for the EU food and drinks sector, which is the largest manufacturing sector in the EU and which represents some 9% of industrial value added and over 10% of industrial employment. Moreover, it is a sector in which global demand is guaranteed to increase.

Modern, productive agriculture, food and forestry sectors will support green growth by assisting in land management and social inclusion for rural communities. It will also ensure more sustainable use of natural resources and support climate change mitigation. From an economic viewpoint it will provide stable, higher-value employment opportunities that will require higher skill levels and qualifications, greater levels of research and development and, importantly, innovation. It will boost European exports and contribute to food security both within and beyond Europe.

In the context of Senator Carty's comments on the EU's 2020 strategy, the importance of the sector is illustrated by the recent decision of the Heads of State and Government at the spring European Council to include a reference in their conclusions to the need for all common policies, including the CAP, to support the new EU 2020 strategy. This is the replacement strategy for the Lisbon Agenda and it is designed to steer the EU to economic recovery, growth and jobs in the period up to 2020. The conclusions proceed to state that "a sustainable, productive and competitive agricultural sector will make an important contribution to the new strategy, considering the growth and employment potential of rural areas while ensuring fair competition". The inclusion of this point was made at the insistence of Ireland and a number of other member states. The proposed strategy was subsequently discussed by EU Agriculture Ministers and there was unanimous agreement that agriculture had a crucial contribution to make to the strategy in terms of sustainable growth, rural employment, territorial cohesion, mitigating climate change, economic growth, increasing exports and social inclusion.

The second matter to which I wish to refer relates to other more long-term initiatives relating to the agricultural sector. Several initiatives are under way to anticipate and prepare for the more competitive environment facing the agrifood sector in the future and to address upcoming challenges facing the sector. Strategies for the development of a consumer-focused, competitive and sustainable agrifood sector capable of meeting the challenges of more liberalised markets and broader societal demands both at home and abroad are already set out in the Agrivision 2015 report. These strategies identify the delivery of safe, high-quality, nutritious food, produced in a sustainable manner for high-value markets as the optimum route for the Irish food industry to take in the future. They span the entire food chain from primary production through processing to market access, which is key to developing export potential.

A high-level committee, which was appointed by the Minister, Deputy Smith, is currently engaged in an in-depth review of strategic policy for the agrifood, forestry and fishing sectors — looking forward to 2020 — to allow them to cope with pressures from the current economic climate, deal effectively with broader sustainability issues, such as climate change, food security and environmental management, and address some structural and other weaknesses that must be dealt with if the full potential of these sectors is to be realised. The deliberations of the committee are well advanced and it is expected to present a report in June. An inter-departmental market access group, chaired by the Department and comprising representatives

[Deputy Seán Connick.]

from the Departments of Foreign Affairs and Enterprise, Trade and Innovation, Bord Bia, Enterprise Ireland and Bord Iascaigh Mhara, is currently engaged in a co-ordinated effort to identify potential market opportunities for the full range of Irish food and beverages, prioritise market initiatives and deal with broader access issues.

Bord Bia published a strategy to boost food exports for the period 2009-11. This strategy comprises six key priorities to be addressed, including enhancing the industry's position on its home market to capitalise on the potential for growth and expansion of exports, with a particular emphasis on the eurozone markets. In delivery of this strategy, Bord Bia has implemented a comprehensive set of promotional programmes and services which have been developed in consultation with industry, bearing in mind the impact of the sterling differential on competitiveness.

Senator O'Malley referred to forestry, for which I have special responsibility. Members will be aware that the renewed programme for Government commits to a review of forestry policy to take account of its critical role in respect of climate change, its importance to construction, bio-energy, biodiversity and its potential to deliver long-term employment in other downstream industries, including eco-tourism, furniture and crafts etc. Following this review, which is under way, the current range of supports will be overhauled to facilitate the attainment of an afforestation programme of 10,000 hectares per year. Such a programme will yield significant economic benefits and will contribute to meeting our climate change commitments. In the past 30 years, the level of afforestation in this country has increased from 1% to 10%. That is a major improvement. Members will be aware that this is a long-term project because what is planted today may not mature for 20 or 25 years. I welcome the major commitment that has been made in respect of forestry in the past 30 years. The initiatives to which I refer, coupled with a proactive policy on my part and that of the Department in respect of evolving market situations, will help to position and consolidate the Irish agrifood and forestry sectors in the home and global market.

Senator Norris referred a meeting with representatives of Safe Food Ireland last week. As Minister of State with responsibility for fisheries, I am obviously trying to promote increased consumption of fish. We hope to continue to make progress in this regard. I spoke with Martin Shanahan, host of the television programme "Martin's Mad About Fish", who is doing a fantastic job in this regard. He informed me about the level of contact he has had from fishmongers throughout the country whose business has already increased as a result of his programme. We will continue to promote the consumption of fish, particularly those caught in Irish waters.

As the Minister stated, the Common Agricultural Policy will provide the main policy framework for development of the primary agriculture and agrifood industries in Ireland and the EU to 2020 and beyond and it is of the utmost importance that it should continue to underpin the development of a competitive and vibrant agricultural sector. Ireland's goal in the upcoming negotiations is for a Common Agricultural Policy that is robust and properly funded and that will be based on the twin goals of increased competitiveness and sustainability. Senators Pendergast, Quinn and O'Reilly referred to the need to foster innovation and quality and we will certainly take their comments on board.

Full decoupling of payments from production has been a success for Ireland and we should continue with this approach. We favour the two-pillar structure which is currently in place and which comprises income supports and market management measures in one pillar and more targeted mechanisms for rural development in the second pillar.

A number of Senators referred to the threat to our market as a result of cheaper imports from countries which do not adhere to the same standards of production as the EU. As the

Minister indicated, we will be seeking to ensure that future EU agriculture policy will continue to recognise and reward the high standards that apply in respect of agricultural production in the EU and that full equivalence will apply with regard to imports.

Reference was also made to abattoirs and the high standards that apply. A number of Senators referred to the strict nature of domestic legislation in this regard. I accept that very strict rules apply. However, I consider this to be a virtue, particularly as it has resulted in high standards being adopted and led to Ireland being in a position to market meat produced here throughout the world. In addition, it has been able to establish a presence in high-value, well-paying international markets.

A number of Senators also referred to the need to exploit the potential offered by farmers markets. I fully agree with them in this regard. I have also raised the possibility of involving fish markets as part of this sector. However, it must be acknowledged that developing these markets will not, on its own, guarantee the future sustainability of Irish agriculture. We must also focus on business aspects, export potential and our ability to develop niche and high-value markets in Ireland and abroad.

The structure of the new CAP must recognise that the core function of the single payment is the support of farm income. I am of the firm belief that income support in the form of the single payment will underpin farming activity and the security of food supplies and protect the family farm as the platform for the production of public goods. However, there must be some recognition and acknowledgement of the differences between member states with regard to costs of living, comparator incomes etc.

Senator Burke and others referred to market support. We need to retain the market management mechanisms that are already in place and be prepared to have recourse to them as necessary. My view is that they are currently at a safety-net level and must be maintained as part of the future CAP.

Flexibility will be required in the operation of these mechanisms. Moreover, to deal with increased volatility in the markets and provide an additional safety net for our farmers, additional measures will be required to counterbalance severe price fluctuations. There is a good measure of support for these views within the Agriculture and Fisheries Council.

There will be a lot of argument in the forthcoming negotiations about the payment models to be used for the single payment system. Members are aware of Ireland's strong views in this regard. However, before reaching that point, there will be difficult discussions on the future EU budget and the amount of money that will be made available to agriculture.

5 o'clock There is no doubt but that there will be great pressure for reduced funding for the CAP. In that context, Senator Bradford mentioned the good value for money one gets from the CAP and both he and Senator O'Brien spoke about its original principles, as enshrined in the Treaty of Rome. It should be remembered that the recently ratified Lisbon treaty reaffirms the principles of the CAP as enshrined in the Treaty of Rome, namely, to ensure the rational development of agricultural production, to ensure a fair standard of living for the agricultural community, to stabilise markets, to assure the availability of supplies and to ensure supplies reach consumers at reasonable prices. In the forthcoming negotiations I will again make this point.

As Members have referred to the wearing of the green jersey, I will recount my experience with regard to the Common Fisheries Policy. I recently briefed the MEPs who also are donning the green jersey on this aspect of the negotiations and would like to think this will also be the case with regard to the CAP negotiations.

[Deputy Seán Connick.]

In brief, in the negotiations to come we intend to defend robustly Irish agriculture and insist on a future Common Agricultural Policy that will be true to its original aims and provide a platform for a modern, competitive and sustainable Irish agriculture sector.

Sitting suspended at 5.05 p.m. and resumed at 5.15 p.m.

Code of Conduct for Civil Servants: Motion

Senator Dan Boyle: I move:

That this House welcomes the commitment in the reviewed Programme for Government to extend the provisions of the Code of Conduct for Civil Servants in relation to the acceptance of outside appointments and of consultancy engagement following resignation or retirement to all Public Servants in designated posts as to ensure that they shall not, within twelve months of resigning or retiring from the service:

(a) accept an offer of appointment from an employer outside the Civil Service where it is deemed to create a conflict of interest; and

(b) accept an engagement in a particular consultancy project, where the nature and terms of such appointment or engagement could lead to a conflict of interest;

without first obtaining approval from the Outside Appointments Boards and looks forward to legislation in this area being speedily enacted.

I welcome the Minister of State. The motion is taken directly from the reviewed programme for Government and the Green Party Members, in seeking the support of the House for it, will endeavour to underline the principle behind it.

We know from experience that in moving from important public sector roles which involve decision making and the acquiring and assessment of information, particularly commercial sensitive information, there is a need for a cooling off period. Such a provision is included in the code of conduct for civil servants and there is a proposal in the reviewed programme for Government to extend it to public servants. My colleagues will point to the areas in which there are inconsistencies and the reasons such an extension is needed. This debate provides an opportunity to discuss the conflicts of interest for those of us in elected public office and how measures can and should be put in place in that regard.

The reason there is a need for a cooling off period is not so much that we should presume that anyone leaving a public position to enter a remunerated position in the private sector would be automatically inclined towards engaging in base practices, but rather that there should be an assumption that those who serve in public office do so for the best of motives and that they would carry through on this philosophy, irrespective of whether they subsequently find themselves in public or private sector employment. A cooling off period is needed because we cannot allow the perception to take hold that this might be the case or that such a scenario might develop. I do not believe this to be unique to Irish politics or administration. The type of arguments we are making and would like to see enshrined in law have been shown by organisations such as Transparency International to be flawed throughout jurisdictions in many countries. If we were to put our legislation on a different level, we would be ahead of several other countries that have failed to tackle this difficulty in a more obvious way.

One of the reasons I believe we need to do this is that of international reputation. We are living in a time when how we are viewed by the outside world in terms of corporate governance issues is important. A particular example cited by Transparency International is the move by

the former German Chancellor, Mr. Gerhard Schröder, to the board of the Russian company, Gazprom, which was treated with a degree of heavy scepticism, in particular in the United States. When these types of appointments are made, eyebrows are raised. There is a need to have in place proper national and international standards.

We have in place a code of standards for the Civil Service. It is fair to say we have developed a number of codes of standards for several areas of public life, including for Members of this and the other House and for employees and representatives of the Health Service Executive. There is also in place a code of conduct in respect of officeholders. There are differing standards in terms of how this particular principle applies. My colleague, Senator Dearey, will highlight how in particular a lack of this cooling off period in local government is one of the reasons we need to upgrade our legislation in this area. There have been many instances of people holding high rank county manager positions going straight from those positions into allied private sector positions which compromised their previous role and the people in the private sector to whom they subsequently allied themselves.

The wider issue in terms of how these standards should apply in public life will accompany the debate on the legislation. A recent media example applied at European Union level the principle included in this motion, namely, if within a set period a person, having held a particular public office, is offered a position, he or she must apply to an outside body seeking permission to do so and may be so granted if a conflict of interest is not seen to exist. Even at a European level this is not as strong as it could be. The idea of an *ad hoc* committee stating something is right or wrong and setting particular conditions and not having the means to police this effectively does not add to confidence in the process. Legislation in this area is about public confidence. It is not about the personal characteristics of the individual who finds himself or herself in this situation or about the presumption that corruption exists or will exist because of that situation. It is about having in place standards that ensure these questions cannot arise in the first instance.

When it comes to discussing the legislation, it should be taken as a given that 12 months is a sufficient cooling off period in respect of which a position should not be taken up unless there are exceptional circumstances. It is not the case that a person should have to disprove, rather that he or she must prove the compromise will not exist otherwise. I do not believe we have such legislation in place yet. We do have in place legislation in respect of civil servants and need such legislation in respect of the public service. I would argue we also need legislation in respect of elected public officeholders. This debate presents us with an opportunity in this regard. We will not be making decisions today but we can put on record the need to ensure as broad a reform in this area as possible. This is about public confidence.

In terms of how legislation in this area might affect an individual, we must also consider economic circumstances. In having in place strict legislation on a cooling off period, one is undermining a person's ability to earn remuneration and to seek new employment. The other side to this coin — ironically enough, we recently debated the issue of political pensions — is what type of safeguards are in place to ensure people, having left public office, are not tempted to take up compromising positions in the private sector. Issues such as parachute payments and how and when pension payments come into play are also a part of this debate. An individual should not be compromised from going into a private sector position because he or she held public office. At the same time, people need to be restricted, because of the office they held, from taking up specific private sector positions. It is a conundrum and something we must legislate for. We must also ensure no one suffers economic disadvantage.

An amendment to the motion will be moved later. I am unable to speak to the amendment until it has been moved and am also not in a position to say how it will be responded to by the Minister of State.

Senator Joe O'Toole: So, if we are nice, it will be accepted.

Senator Dan Boyle: No. I am still trying to understand the link between the amendment and the motion.

Senator Mary M. White: Hear, hear.

Senator Joe O'Toole: We will explain it.

Senator Niall Ó Brolcháin: That is the oldest trick in the book.

Senator Dan Boyle: A question arises whether the Government is in a position to meet what is being asked for in the motion. I do not have a difficulty with the amendment in general terms. I believe the debate, the Minister of State's contribution and how I will respond on behalf of my colleagues at the end of the debate will determine that. I am anxious to hear the argument that will be advanced by the movers of the amendment. I suspect it has come about as a result of a fairly open and honest statement by the Department of Finance on the resources that exist within that Department to deal with the difficult problems with which we as a country and it are faced. I see that as a more specific issue than the one being debated in the House today, but we still need to have that debate. I do not believe it is too untoward for Members to expect some statement of policy on how a shortage of particular skills or an identification of a lack of particular skills can and would be met. I remain unsure if that issue is part of this debate.

I invite my colleague, Senator Dearey, to advance the argument further in favour of acceptance of this motion by the House.

Senator Mark Dearey: I second the motion. I want to address the issue of a cooling off period from the perspective of local government, which has been my touchstone since I arrived in this House for reasons which Members will appreciate. There are particular problems when people are moving from the public service to the private sector without any cooling off period, as is currently the case. It is possible that a person in a senior position can, when on extended leave of absence, establish a consultancy and present a report that can then be adjudicated upon by people who will be his or her juniors should he or she return to the previous position held in the public service. There are many anomalies. People in the public service can experience great difficulties in terms of dealing with former colleagues or recently departed colleagues in regard to planning matters in particular. A cooling off period is necessary. I take some issue with the period of one year which Senator Boyle considers to be enough. I appreciate, however, that we must be real about people's lives and that we cannot put them or their skill sets into cold storage, so to speak, on a long-term basis. The motion is about acknowledging that potential conflicts of interest exist and trying to create a period where this can be diluted, although the potential for conflict of interest never goes away entirely. We cannot legislate against people's right to employment in their area of skill and we need to find a balance between having a cooling off period and not creating complete inertia between the public and private sectors.

This extends in particular to very senior positions in local government, such as county managers who are particularly powerful individuals. I would argue that they are probably the most powerful group in local government. They enjoy very extensive powers which were extended in recent years and cause some resentment among councillors who have lost several reserve functions over the years. There is a range of areas in which county managers have exercised power and in which they could potentially work in the future, such as waste management. For reasons of confidence, transparency and reputation, I see a need for a cooling off period to be established and we propose this period to be one year.

With regard to reputation, I attended a meeting of the Joint Oireachtas Committee on Economic and Regulatory Affairs at which a very interesting presentation was made by Grant Thornton on corporate governance in listed Irish companies. We urgently need to come up with an Irish code of corporate governance, given that the combined code of corporate governance we share with the UK is about to become the UK code of corporate governance. This will bring into sharp relief the fact that we have been using a combined code until now. Apparently we are the exception in the EU in that we lack our own specific corporate governance code for listed companies.

This issue is in the ether, so to speak, and I mentioned the subject matter of the committee meeting to highlight the issue of Ireland's reputation. At the meeting, representatives from Grant Thornton stated: "It is clear from reading the international press that governance scandals in Ireland, coupled with the severe downturn in our economy, have caused our reputation in international markets to suffer." I acknowledge this is strictly in the area of listed companies and our international reputation. In terms of tackling the entire area of governance of public and commercial life in this country, however, it is of a piece with what we propose.

The motion is also of a piece with an entire section of the renewed programme for Government negotiated last autumn. Section 8 on enhancing our democracy and public services proposes establishing an independent electoral commission and the publication of a White Paper on local government reform, which is due. It also makes proposals on politicians' pay, which has been addressed although perhaps not in the structured way we would have liked. None the less, it has been addressed and some of the heat has been taken out of the issue and some of the sense of scandal people felt has been addressed. The issue of public service reform is in the pot now and there are an enormous range of public sector reform proposals in the programme for Government, all of which I believe will contribute to a closer relationship between the people and their public service and to a more transparent public service which the people can see is working. If it is not working, people will have recourse for complaint. Other areas include hiring and promotion criteria to be reviewed by an independent body; the reform of the top level appointments commission which will address senior positions in the public and civil service; and the cooling off period.

The programme for Government commits to extending to all public servants in designated posts the provisions of the code of conduct for civil servants on the acceptance of outside appointments and of consultancy engagements following resignation or retirement to ensure they do not accept, within twelve months of resigning or retiring from the service, an offer of appointment from an employer outside the Civil Service or an engagement in a particular consultancy project, where the nature and terms of such appointment or engagement are deemed as possibly leading to or creating a conflict of interest, without first obtaining approval from the outside appointments board. The motion closely reflects that commitment in the programme for Government.

Without going into specifics I can think of several instances where public trust has been tested at the very least and possibly damaged by the indecent haste with which people with very confidential and commercially sensitive information can move without a cooling off period. We need to address this. Transparency International has written on this issue on a European-wide basis. It identifies many levels of corruption, and I use that word very advisedly because it is very easy to throw it around and very often it can do damage where damage should not be done. There are soft forms of corruption in public life and Transparency International identifies the issue of stepping down from a senior position and taking up a very prominent position on the board of a listed company, such as the example cited by Senator Boyle of Mr. Gerhard Schröder's move to Gazprom, which *The Washington Post* described as a sell-out. Transparency International states that Europe in general is not immune from this and that the

[Senator Mark Dearey.]

European Union is very diverse and not free from corruption at all levels. It stated it found that, in western European Union member states, there is a grander, more private sector related type of corruption, and conflict of interest plays a role in this context. It cites examples of senior officials who, with indecent haste, find themselves on boards.

In recent days I raised this issue with regard to the move of the former Commissioner, Mr. McCreevy to Ryanair. I was puzzled as to how the *ad hoc* committee left it to himself to adjudicate on what he does or does not say or do. Given that the Commission's Internal Market division is investigating seven instances of arrangements Ryanair has with European airports, it is baffling. We should not have to look and wonder in these instances. We should have clear demarcation of one year and, beyond that point, there would be no cause for distrust, scandal and further corrosion of the very necessary relationship that exists between the public service and those it serves. Once that period would have passed, people would be free to do what they will as long as they would continue to respect the Official Secrets Act. I commend the motion and thank Members for their attention.

Senator Joe O'Toole: I move amendment No. 1:

After "enacted." to add the following:

"Conscious of various staffing embargoes and concerned about the lack of qualified and experienced personnel available to the Government and the Civil Service, in areas such as banking, bond markets, global economic models, financial instruments, credit rating and related functions, Seanad Éireann calls on the Government to outline the current arrangements and proposals for the proper recruitment, retention and conditions of service of such personnel."

I welcome the motion and I welcome the Minister of State to the House. I will endeavour presently to build the bridge asked for by Senator Boyle. It is important to recognise there is nothing new about this and I support him in this regard. Some years back when I was working on a related matter, I looked at the Capitol Hill booklet which includes precisely this requirement. There must be a year's gardening leave prior to taking up another position. There is nothing new about this and nothing that any fair-minded person could raise with it. The only questions I have on the wording of the motion concern the membership of the outside appointments board and why politicians are excluded. It is somewhat unbalanced if a senior civil servant can be made subject to certain conditions governing his or her move into a conflicting position but Ministers cannot. Perhaps that is intended and I look forward to hearing the answer to that question.

The fact that the amendment is in the form of an addendum means I do not have a problem with the motion. That goes without saying. It is very clear. It is not just about bringing in experts but also about experts leaving. I ask the Green Party to think about one point. If the motion is agreed, we would put in place a certain set of procedures for somebody who might gain certain information and then move into a position of a conflict of interest. The same applies to somebody from a specialist interest group who works in a Department for a short time on a temporary basis, on the inside of a Chinese wall, as it were, in budgeting, finance or whatever, finishes his or her contract and moves out. That is why my amendment contains the phrase "outline the current arrangements and proposals ... and conditions of service of such personnel". It is equally important in that situation.

One cannot have a person coming in the door with a whole set of skills, which are welcome, learning a whole new insight into what is happening and then leaving and selling his or her wares to the opposition. There is nothing new about this; I have raised it many times. My

colleague, Senator Ross, tabled a motion on this some years ago. Nothing has been left unsaid. We need a certain level of complementary staff. It is not about people leaving; it also about people coming in. It also raises questions about people in senior positions who have retired from a Department being brought in as consultants to work for a period of time. That needs to be covered, and that is why our amendment does exactly that.

We have to ensure there is fairness, openness and transparency in all of these things. That is the reason for the motion. The reference the proposer made was to a situation which arose in the meeting of the Committee of Public Accounts last week. We have had many long debates in this House about the lack of certain personnel in the Department of Finance. I have the highest respect for the intellectual capacity of the members of the Department of Finance. Anything I say should not be misunderstood in any way but ties into the comments of the Secretary General of the Department last week, to which I will refer.

Apparently there were no economists in the Department at the time of the crisis. Everyone was prepared to blame the Department for that. I raised the issue but never got an answer. Why was that the case? It so happened that I knew the answer to the question. We could not afford to pay economists who had the skill sets we wanted to stay in the public sector and we had no way around that. They all leaked to the private sector. The point of my amendment is to ensure we can reverse the situation and address how we can bring a skill set back from the private sector if we want to do that.

We need to have a way of doing that, and not in the *ad hoc* manner which appears to be the case at the current time. A question was asked at the meeting of the Committee of Public Accounts last week of the Secretary General of the Department of Finance, Mr. Kevin Cardiff, on the question of skills in the Department. I am not being critical of him. I welcome his statement as openness and transparency in action and on which he needs to be complimented. He said:

One of my colleagues is giving me lists of qualifications of staff in the Department which I can read out. It is a highly educated bunch, with a wide range of relevant skills and qualifications. Getting to more of the specifics, the fact of holding a particular degree in a particular discipline does not necessarily qualify you for the range of things that can arise. It is a more specific expertise, I think, the Deputy is talking about.

I completely agree with that.

I wish to emphasise another comment Mr. Cardiff made: "I do not believe the Department of Finance currently has sufficient expertise to deal with the issues at hand." It is a very fair, honest and open comment. No one else seems to think it was important. It hardly got a line. It was worthy of editorials and should have sent shivers through the Government. Is it because of embargoes in the public sector or restrictive pay arrangements in the Civil Service? If it is, I want to know about it. I tabled an amendment to the motion moved by Senator Boyle because this is a very serious matter.

Mr. Cardiff, who is the second most senior civil servant in the country and is in charge of the most important Department in the country, also said, "My personal view is that the Department needs to increase its level of specialist skills." How can we do that? We do not necessarily want someone who is an expert in a marginal, though important, area of finance to come into a full-time career in the Civil or public service. That may not be what is required.

In response to another question Mr. Cardiff said:

One matter to which the Deputy referred and in respect of which he piqued my interest is the notion of appointing a risk officer. Such an individual would operate ... there is something to the Deputy's suggestion and I will give it some consideration.

[Senator Joe O'Toole.]

We know we had a lack of expertise when the problem hit the fan two years ago. I am not being critical of anyone. That is the reality.

We know we have expertise of a general nature in the Department, namely, people who can do what is required of them as civil servants. We have listened to the Secretary General of the Department who has said the skill set level needs to be increased. The world of finance is becoming more and more complex. Contracts for difference can be in 24 different forms and special purpose vehicles can be in a million different forms. We have to understand banking, risk assessment and management and credit rating, which we know about and which is being discussed in Europe which may set up an official European credit rating agency. All these things are happening. Where are the people to do it?

My reason for tabling the amendment cannot be questioned. I am asking Senator Boyle that we hear how the Department and the Government intend dealing with the issue. I want to hear that embargoes and current pay rates will not cut across it. I want to hear that people who leave, having been brought in on a temporary basis, will not be a risk to us in the future. I want to know the arrangements for such people in terms of their conditions of service. These are the issues. The amendment complements the motion and must be considered from that point of view. It is a very serious issue.

I will concentrate on the Department of Finance because that is from where my amendment grew. I honestly believe that if we made this one change in the Civil Service, it would transform it, release huge energy and expertise and open competition for all promoted posts in the Civil Service, which is supposed to be Green Party policy. That single change would allow civil servants, who have extraordinary intellectual ability, to fight for their places, and I have no doubt they would do so.

I am a member of the Joint Committee on Climate Change and Energy Security, which is as technical an area as any other, a point the Green Party will accept. Every aspect of it, from carbon to renewables to energy measurement, is technical. It is unfair to try to depend constantly on general civil servants to deal with that. We are waiting for a climate change Bill, a geothermal rights Bill and a foreshore licence Bill because the small cohort we have to draft legislation are busy doing other things. It should be the case that we can bring people in to do these things. The Secretary General made certain references to what he had done to deal with this. The amendment is not mischievous, rather it is an attempt to create a complementary situation to move the argument forward and examine the new scenario of flexibility of movement in and out of the public sector.

I did not touch on the issue of people on a pension who also earn a salary in the public sector, something with which I agree. Capitol Hill changed the legislation on pensions in a very complex way in order that someone could be on a pension and earning a salary while working in the same enterprise at the same time. It is something for which I asked 15 years ago and is badly needed now.

Senator Shane Ross: I second the amendment. I congratulate the Green Party Members on tabling this motion and look forward to seeing the legislation in due course. I would have been more confident that this would be followed by action had they been able to vote in this House for their own legislation on appointments to semi-State bodies. I am delighted to see the numbers of Green Party Senators in the House outnumber its coalition partners by three votes, which is probably indicative of the degree of enthusiasm there is for this motion among the coalition partners. Having said that, it is particularly useful to debate the motion at this time. I am doubtful about certain aspects, although I approve totally of its thrust. However, we would

want to be careful about laying down a time limit of one year, although I know it is standard overseas. While the principle is right, to say somebody should be one year out of his or her job in the Civil Service before he or she could accept a possibly conflicting job in the private sector is a little odd.

The reason we have this problem is not the power people have, as Senator Dearey said, but the knowledge they possess. The problem is, however, that if someone from the Department of Enterprise, Trade and Innovation or the Department of Finance, mentioned by Senator O'Toole, leaves with knowledge which is coveted by the private sector for very good reasons and which is covered by the Official Secrets Act, it will not depart from him or her after one year. If it is sensitive, as it can be at certain times, and about particular contracts or competitors, the person concerned will still possess that knowledge one year later. I suspect it is more an issue of concept than time. It would be very difficult to legislate for this as it is a matter of *mens rea*. We are saying people who leave the Civil Service should not be placed in a situation where they would be conflicted. However, they would be so conflicted perhaps five or ten years later because the way things work in business and the Civil Service is sometimes particularly slow and the knowledge would travel with them.

We need to think very carefully about imposing a one year limit. It may be okay immediately; it often can be, but the situation could last for a very long time. When the legislation is being drafted, somebody will have to be particularly clever and place the onus on the individual concerned which is where it is in corporate matters not to put himself or herself in a situation where he or she will be conflicted or not to act or behave in a way in which he or she will be conflicted. What will happen is that after 365 days a person will be able to say he or she is conflicted but that it does not matter. That is absurd. While I approve of the principle, there is a problem which should be highlighted.

Senators O'Toole and Boyle mentioned that for several reasons it should apply to office-holders and persons who were Members of the Dáil and Seanad. They are sometimes privy to information because of the positions they hold and are coveted, sought and recruited by the private sector because they possess that information and knowledge. It is not only because they know the workings of the Houses and the Civil Service, but also because they know a lot about an industry which may give them the inside track. There is no doubt about this — that is how private industry works. It is not a very moral business. No private employer will say he or she had better not hire somebody because he or she might be conflicted. The reality is that he or she will say he or she had better hire somebody because he or she is conflicted and might know something. What will we do about this? We have to address that issue in a rigorous way. We will have to be as hard on ourselves as on the Civil Service.

The motion does not specifically mention lobbyists, but I suspect this is an area on which we must zoom in and target. Many people currently working in the Civil Service will become consultants. "Consultant" is often a euphemism for lobbyist. We see lobbyists around Leinster House. One of the problems with them is not for how long they have been away, but that half of the time one does not know whether they have been away because they are still here and lobbying. I can name them; people know who they are, as they see them around Leinster House. Even though they are no longer Members and are perhaps less than one year out of the Houses, they have access to Leinster House and are subtly lobbying. That may or may not be good, but they should be identified. When the legislation is being drafted, we should guarantee there is a register of lobbyists in order that we will know when we talk to people for whom they are speaking and why they are here. That is a minimalist demand which we should include in the legislation. I ask the Green Party which is, after all, influential to use its influence to ensure that happens.

[Senator Shane Ross.]

The Department of Finance was mentioned; Senator O'Toole was absolutely right in that regard. There does not have to be a link between the amendment and the motion. There are several cases where the amendment proposes to delete all words after the word "That". Senator O'Toole's speciality is proposing the removal of all words after "That". Let us not worry too much about the link. It may not be a direct one, but it covers a similar subject.

The Department of Finance is a very interesting case in point. What is stated in the amendment is absolutely fascinating. When Mr. Cardiff appeared before a committee of the Houses, he said — it does not suit my ideological bent, but it must be taken up-front — the Department of Finance did not have the expertise to do such and such. That is very worrying and something up to which we must face. We must ask if certain people are not being paid enough. That does not in any way negate the need for civil and public servants to take pay cuts. If, however, the Department of Finance cannot afford to pay people, in particular, in specialist areas, we must accept we have a difficulty and tackle it. We must recruit people in certain areas and pay them or else find another way out.

The Department of Finance found another way out many years ago in the case of the National Treasury Management Agency. Instead of the Department managing the pension fund, it moved it to the private sector. I am not certain that was the ideal way to do it because there was great resentment among people in the Department when that happened because they believed they were perfectly able to do the NTMA's job, without Mr. Michael Somers being paid €1 million a year. They may well have been right. Why did the Department not keep Mr. Somers and pay him half of what he was being paid in the NTMA because he would have had the same expertise in one place as in the other? I am only highlighting the problem we face; I do not have the solution to it, but it is an extraordinarily difficult problem.

If the Department of Finance which is, after all, the most powerful Department in the State states in the middle of a banking crisis that it does not have the necessary expertise to deal with banking issues and does not have an economist, we must face up to the fact that it might be part of the problem we faced and which culminated in what happened in 2008. There has been huge controversy about this recently and I am surprised it does not have more legs. Why was there not more of a warning from the Department throughout 2008? Was it because the guys were asleep on the job, they were insiders or there was not the required expertise in the Department? That is why Senator O'Toole's amendment is so relevant. If the Department of Finance cannot get the people needed in the most powerful and sensitive areas which have brought us to rack and ruin, we have a question to answer. During the crisis we were let down badly by the mandarins in Merrion Street. I do not know whether it was because of a lack of expertise, they were asleep on the job or they were insiders. I suspect it was a bit of everything. We cannot allow a situation where people in such pivotal positions do not have the knowledge to make qualified decisions or give the right advice to the Minister.

Senator Mary M. White: I welcome the Minister of State and the Green Party motion. I was a civil servant in the Office of Public Works and the long tradition of integrity in the Civil Service is an asset to be acknowledged and has played a big part in the progress of the country since independence. It is equally important to support procedures underpinning and protecting that tradition of integrity and public service in this more complex world where the interface between public and private sectors carries many dangers to that tradition.

I support the early introduction of legislation or regulations to extend the code which applies to designated senior civil servants to comparable posts in the wider public service, including local authorities and State agencies.

As Senator Dearey noted, county managers are among the most powerful groups in the country. The extent of their role and remit places them in an extremely powerful position.

When public servants are engaged in approving permissions or funding which have benefits for the private sector vigilance is required, as proposed in the renewed programme for Government. In addition to being concerned about employment or consultancy engagement in the year after retirement, we should be equally concerned with restricting discussions between senior public servants and potential employers in the period before they retire. Such discussions or agreements in principle about possible employment or consultancy after retirement pose even greater dangers to good practice. If such discussions take place prior to retirement, they have the potential to influence decisions while the public servant in question is still in post.

The key screening body will be the outside appointments board established by the Minister for Finance and comprising of five members, three of whom, including the chairperson, will be drawn from the private sector, while the remaining two will be the Secretary General to the Government and Secretary General of the Department of Finance. The chairperson of the board will report annually to the Government. I call for greater transparency in the work of the outside appointments board, especially given that its remit will be extended to the wider public service.

I do not support the amendment tabled by Senators O'Toole and Ross as it does not relate to the ethical behaviour agenda of the motion. While it is concerned with a legitimate issue, namely, the technical expertise available to the Government and Civil Service, it should be considered on another occasion. The amendment risks diluting the focus on the core ethical objectives of the main motion. I congratulate my Green Party colleagues on tabling this motion.

Senator Liam Twomey: No one can object to this harmless motion, although the Green Party may take some self-satisfaction and a warm glow from its decision to address the issue of ethics in public office. One does not need to refer to Gazprom or former European commissioners to discover what is wrong with corporate governance in this country. One needs only look at the boards of CIE and some of the banks to see lads looking after themselves. As a party in government, the Green Party could actively address issues of that nature.

We have an excellent Civil Service in which corruption is at a low level and which is fair in its dealings with everybody. While instances of abuse of power occur, they are infrequent. Conflicts of interest will always arise and some of the worst abuses in recent years have not been by civil servants but by former officeholders and civil servants moving into the private sector. The Green Party should have addressed issues of this nature in its motion. Confining its scope to the code of conduct for civil servants somehow implies that some senior members of the Civil Service are engaged in wrongdoing when this is clearly not the case. Civil servants are, as I indicated, extremely fair.

If the Green Party was genuinely concerned about issues of this nature, it could have taken a number of steps in the past couple of years. Transparency in government business is very important in reducing abuse of power, conflicts of interest and corruption. The Green Party, which was in Opposition at the time, railed against amendments made to the Freedom of Information Act. Now that it is in government, it could reverse these changes. I say this because I am annoyed about the hypocrisy evident in some of the statements made in this regard.

Whistleblower legislation could be applied to all Departments, State agencies and other bodies established at one remove from Ministers. The Green Party could support such legislation as a means of fostering accountability and transparency in the wider public service. It

[Senator Liam Twomey.]

has not done so and whistleblower provisions have been introduced in a piecemeal manner in various Bills. The Green Party could demand the introduction of whistleblower's legislation and reversal of some of the amendments made to the Freedom of Information Act. Changes to the Act were not related to its operation but designed to keep things quiet and block journalists and Opposition parties from accessing information.

While the motion refers to the introduction of legislation on the code of conduct for civil servants, it does not indicate a timeframe or refer to potential complications or problems that must be overcome. It is, therefore, little more than window dressing. We deserve better and the Green Party should have taken a stronger line. Perhaps when Deputy Boyle responds to the debate, he will use stronger words and call for a reversal of changes in the freedom of information legislation and the introduction of a whistleblower's charter for everyone in the civil and public service. These steps would improve transparency and accountability and, in so doing, reduce corruption and conflicts of interest.

It is easy to accuse retiring public and civil servants who take up positions in the private sector that are similar in nature to their previous employment of a conflict of interest. If, however, we had greater transparency in the work of senior civil servants and Ministers, we would know whether decisions they made before leaving their positions could give rise to conflicts of interest in their new roles in the private sector.

The Minister of State's predecessor in the Office of Public Works seamlessly moved from handling the property portfolio of the State to handling the interests of the Construction Industry Federation. While one could argue that a conflict of interest arises in this connection, we, unlike the Minister of State who has access to the relevant files, have no idea whether any decisions taken by his predecessor conflict with his present role in the private sector. This problem would be overcome by introducing legislation to provide protection for whistleblowers who decide to highlight conflicts of interest. It would also enhance transparency and accountability in government. No action is being taken on this issue and both Government parties have voted to block initiatives in this area since the previous general election.

I ask the Green Party to consider introducing legislation that would address circumstances in which serious concerns are expressed to members of the Government and Opposition about the manner in which certain State and semi-State organisations and banks operate. Greater transparency would create public confidence that we are doing our absolute best to ensure the Government operates in a fair manner and corruption is kept to a minimum. One must be careful in this respect because I do not wish to imply that corruption is widespread in the civil or public service. That is clearly not the case and I have certainly not heard anything to suggest otherwise, even on the qt. We have an excellent public service. That does not mean we cannot give confidence to the people we represent that we are doing our best to ensure everything is transparent and everybody is accountable to them. These are the things the Government should try to achieve.

The issues raised by the Independent Senators in the House deserve further discussion. They are different from the motion but they deserve discussion because they are part of the problems we face at the moment. They deserve a motion of their own.

An Leas-Chathaoirleach: Before continuing, I welcome Councillor Sean McKiernan from County Cavan to the Visitors Gallery.

Senator Niall Ó Brolcháin: I listened with interest to the comments of all Senators. Senator Twomey spoke about the whistleblower's charter and he is absolutely right. We need to look

at the options that will stamp out corruption in our public service and in our society. It is an endless fight and there are many different ideas. Perhaps Senator Twomey and Fine Gael might support the Kenny report in future. It was produced a number of years ago.

My grandfather was a civil servant in the Department of Finance. He always said his greatest regret was that when the State was founded, we did not set it up in such a way that profits from the rezoning of land accrued to the State. It is never too late to deal with that. One of the greatest areas of corruption in this State is in respect of rezoning land. While land can be rezoned at the stroke of a pen and a person can become very wealthy simply as a result of a vote cast by a number of councillors, the potential for corruption exists. Whether this corruption exists on a wide-scale basis is open to investigation. I have seen instances where that is the case. They have been well documented. Perhaps Fine Gael members might look at the Kenny report. At a time when local authorities find it very difficult to finance the various facilities we all want to see, such as community centres, schools and so on, the profits from rezoning accruing to them would be a good way of doing business. It is a much better way of doing business than allowing a speculator to buy land, have it rezoned and put the money into his pocket.

I would like to respond to a couple of points made by Senator Ross. The programme for Government calls for the introduction of a register of lobbyists, including professional, corporate and non-governmental organisation lobbyists. This commitment is separate from this motion but it is relevant to the Senator's comments. Another commitment in the programme for Government states we will ensure all promotion in the public service is on the basis of merit, eliminating seniority as a determining factor in any public sector appointment. Senator Ross is right to make his points, but we sought to have them included in the programme for Government and they are.

I have seen situations where planners from a local authority would simply migrate to working for a developer with whom they had been doing business previously. I have seen instances of that. It is wrong and that is what this motion is about. If qualified planners working for local authorities decide to leave those authorities, they have a right to employment. It is possible that those planners can work for other local authorities or they can work outside the jurisdiction in which they had been working. There are many jobs in the State which these planners can do, using their expertise gained from previous employment. There is a problem, however, if a planner can leave the planning department of a local authority and then start working for one of the companies on which he or she was previously adjudicating. There is a major conflict of interest involved.

The Green Party agrees that Ministers, Senators, TDs and councillors should definitely be included in any legislation on public servants. The Local Government Act 2001 states it is duty of every employee and councillor to maintain proper standards of integrity, conduct and concern for the public interest. That is in the existing legislation, but the guidelines need to be sharpened up and the 12-month rule is a good one. There has been debate on whether 12 months is enough or whether a person should be allowed to work at any stage in particular positions when those positions relate to the Official Secrets Act.

I have seen councillors working with developers and speculators and then having land rezoned that belongs to the people with whom they are working. The councillors must declare to the council their conflict of interest in that regard. The danger is that their party colleagues or other councillors will end up rezoning their land. It is a difficult situation when a councillor's land is rezoned, but it does happen. I am not 100% sure how we can deal with that but we need to look at it.

[Senator Niall Ó Brolcháin.]

The other issue that concerns me is when councillors set up companies to manage conferences. Many councillors and other politicians attend conferences, and councillors often supplement their income by claiming expenses for these conferences even though they often do not turn up to them. This area needs to be made transparent and while the Minister for the Environment, Heritage and Local Government has reduced the amount of money spent on conferences, they should be properly regulated in an open fashion. The companies that run conferences should be properly registered.

The battle against the conflict of interest is an ongoing one. As Senator Ross said, it is difficult to pin much of it down because it is related to personal integrity. Nevertheless, we must bring in as many Bills as possible to limit it. I commend the motion and I commend Senator Boyle on bringing it forward.

Senator Alex White: It is important to have this discussion and I welcome the fact that the Green Party has facilitated it. However, we are just skimming on the surface of a much more profound set of problems. While I agree with the proposal, none of us should fool ourselves into thinking that if we introduce such a measure it would confront or deal with many of the fundamental problems and concerns we have with regard to corruption or the risk of corruption as we have seen in recent decades. I agree with some of the points made by Senator Ó Brolcháin in that regard.

In saying that this is an important discussion we should continue at some further stage, I express the usual slight scepticism or even cynicism over the terms of a motion asking us to welcome something and stating we should look forward to legislation. I am looking forward to many things, including my summer holidays and going home later on.

Senator Liam Twomey: The Senator is fairly certain of those happening.

Senator Alex White: I am reasonably certain. I may be less certain about a by-election than some other things. I am looking forward to many things. Of course we would prefer to be considering an actual proposal of legislation rather than stating we look forward to it. I agree with Senator Twomey on that point that it is harmless enough. From the point of view of it facilitating a discussion, I am prepared to accept it is a good thing to do.

The point made by Senator Ó Brolcháin really gets to the heart of the matter. He said that much of this depends on personal integrity, which is absolutely the case. There are people in the public service, in politics and in public life generally upon whom the public rely and in whom they repose a tremendous amount of trust. There is a very high expectation of people. Those people, including us, are expected to have a moral and ethical compass. That is an expectation that goes with the job. It is not something that can be imposed through arbitrary limits or arbitrary rules, much as I believe that certain rules are important. We have seen a breakdown in trust in many areas. I want to support and build on a Civil Service in which we have a great level of trust. I still have a very high level of trust for civil and public servants, including public servants with whom I have worked in local authorities. They make an enormous contribution. Pretty much all of those with whom I have had any contact are people of very high integrity and often of very high expertise who need support, and often more training and skills. The Independent Senators' amendment is not all that far removed from what we are discussing. We want a level of training, skills and education, particularly educational qualifications when they are appointed to senior positions. We need to be able to trust people and going with that is an ethical core which we expect of people and which we largely get.

The motion refers to the “reviewed Programme for Government”. I presume the motion was intended to refer to the “renewed programme for Government”. That is just one of the many things that needs to be addressed. I agree with Senator Twomey that we cannot divorce this measure from matters like a register for lobbyists, for which my party has pressed for many years. There has been disgraceful backsliding on the freedom of information legislation. If the Green Party in government is serious it should be demanding that those reverses are changed. There is a need for whistleblower legislation, on which the Labour Party has also made proposals. That is what we want to see happening. We do not want just to look forward to it; we want to see it actually happening.

The issue of a cooling off period affecting the legislation we are discussing here would be a matter of negotiation and discussion with the public servants concerned. However, it cannot be that complex in the greater scheme to amend this legislation and add a list of designated posts to those already covered by the code of conduct. As the code of conduct already exists, it is simply a matter of extending it to new groups of people and offices. Obviously we are at some disadvantage having not heard what the Minister of State proposes to say in the debate. If I do not have the opportunity to hear him in the Chamber owing to another commitment, I look forward to reviewing his contribution later. I would like to see some commitment from the Government to bring forward legislation on this issue, which does not seem to be enormously complicated if there is a political will to deliver it.

I referred to an arbitrary limit. A one-year limit is proposed here. In 2007 my party’s manifesto proposed a two-year cooling-off period. Senator Ross made a point on integrity that I intended making myself. When a limit of one year or two years is set we need to be careful not to send out a signal that at the end of that period there is an unleashing of practically anything that the individual can do. That cannot be right. The Minister of State will correct me if I am wrong in this. I believe the persons who are required to adhere to the Official Secrets Act have a continuing requirement into the future. There can be no temporal limit to a person’s responsibilities under the Official Secrets Act. That is akin to the common law duty of confidence in ordinary private sector employment, which continues into the future. One cannot be revealing secrets or matters that have come to one’s attention that were germane to the work one did in a Department or local authority if they are covered by the Official Secrets Act. That covers the individual permanently. Similarly in the private sector, every employee has a duty of confidence to his or her employer which extends into the future. We need to ensure there is a very high expectation of people into the future, notwithstanding that the one-year or two-year period has expired.

On the duty of confidence, Senator Ó Brolcháin made the point about planning and local authorities. This is probably where this risk has arisen in its darkest. There is a perception that if there has not been abuse, at least there is a risk of abuse. It would be absolutely unacceptable and it is probably axiomatic that, for example, a director of planning in a local authority might retire and go on to work on the same file on which he or she had been working while director of planning. While I do not know the actual regulation preventing that happening, it would be extraordinary if that were to occur. It seems to me it simply could not occur. I do not know the precise code of conduct or what prevents that happening. It would seem to almost go without saying that somebody could not turn around and work on that file. I do not know the mechanism of how that is restricted, but I presume it is restricted.

However, a director of planning might retire and while he or she does not work on the same file on which he or she was making decisions last week, he or she uses the expertise he or she has built up over the years. Ultimately there is not very much we can do about that. People

[Senator Alex White.]

pick up expertise in all areas of work in which they are involved and it inheres in them. They have just developed this expertise and knowledge. It is not possible to take it away from them. There is a grey area in trying to distinguish a real conflict of interest, which is a risk, and people being free — because we cannot stop people — to move from the public service into the private sector and doing jobs for which they will be sought because of the expertise and experience they have, perhaps as the head of a Department, and the esteem in which they are held. Some former politicians go back to the Law Library or into journalism. As people will be sought after, we need to make the distinction between the two and address the problem we want to address, which is the risk of conflict of interest rather than a generalised restriction on people which would be impossible to implement and probably wrong in principle to try to do.

I believe it was Senator Ross who made the point that a significant onus needs to be placed on the individual. This takes me back to where I started and what Senator Ó Brolcháin said. We need to rely on the quality of the people we have in our public service and the high expectation we have of them and indeed of politicians to carry out their public duties properly and to understand that if they have had that trust reposed in them for seven years, 14 years or whatever it is, that trust does not suddenly stop on the day they walk out of the Department. There is a residual duty related to the fact that they have been in important public positions. They cannot abuse that information or in any way leave themselves open to the allegation that they are using it in a conflicted way.

I am nitpicking, but my point is relevant. I am interested in who makes decisions about whether there is deemed to be a conflict of interest. The motion states an offer of appointment from an employer cannot be accepted outside the Civil Service where it is deemed to create a conflict of interest. It does not state who deems it to be such but continues in paragraph (b) to state the person concerned “cannot accept an engagement in a particular consultancy project, where the nature and terms of such appointment or engagement could lead to a conflict of interest; without first obtaining approval from the Outside Appointments Board”. In the motion the requirement to obtain approval seems to cover both paragraphs, (a) and (b), whereas in the text of the new programme for Government the outside appointments board seems to be involved only in the second case and the text appears to be silent on who decides on whether there is deemed to be a conflict of interest. Perhaps it is only a drafting or merely a minor point, but it has been changed in the motion which is better than the way in which it appears in the programme for Government.

Senator Dan Boyle: Would that weaken the legislation?

Minister of State at the Departments of Finance and Arts, Sport and Tourism (Deputy Martin Mansergh): I am pleased to respond to the motion on behalf of the Government. I congratulate Senator Boyle and the Green Party Senators for tabling it and also every Senator who has contributed to the debate. Their contributions were excellent and highlighted some of the complexities and nuances of the issue.

The Civil Service code of standards and behaviour provides, *inter alia*, that civil servants who hold positions which are designated positions for the purposes of the Ethics Acts shall not, within 12 months of resigning or retiring from the service, accept an offer of appointment from an employer outside the Civil Service, or accept an engagement in a particular consultancy project where the nature of such appointment or engagement could lead to a conflict of interest, without first obtaining approval from the appropriate authority. In respect of staff below the grade of assistant secretary, the appropriate authority is the Secretary General or head of office

and, in the case of staff at assistant secretary or above, the outside appointments board. The renewed programme for Government provides for the extension of the provisions of the code of conduct for civil servants to the wider public service.

In response to a written parliamentary question from Deputy Gilmore on 8 December 2009 the Minister for Finance indicated he was “taking steps to ensure the work on the extension of the Civil Service provisions is advanced in each sector” and that the work would include consultations with the appropriate stakeholders, as provided for in the enabling legislation.

Before responding to the motion proper, I will outline for the benefit of the Members of this House the significant progress that has been made in promulgating codes of standards and behaviour in recent years across the public sector. A code of standards and behaviour for the Civil Service, pursuant to section 10(3) of the Standards in Public Office Act 2001, was drawn up and promulgated by the Minister for Finance on 9 September 2004. A code of conduct for councillors was published by the Department of the Environment, Heritage and Local Government in June 2004 under the Local Government Act 2001. A code of conduct for local authority employees was published by the same Department in January 2007 under the Local Government Act of 2001. A code of standards and behaviour was published by the Health Service Executive in June 2009. A code of conduct for the guidance of Members of Dáil Éireann, other than officeholders, was adopted by Dáil Éireann on 28 February 2002. A code of conduct for Members of Seanad Éireann, other than officeholders, was adopted by Seanad Éireann on 18 April 2002. A code of conduct for the guidance of officeholders was published by the Standards in Public Office Commission in July 2003. A declaration of professional values and ethical standards is in place for the Garda Síochána which provides a professional framework for the guidance and direction of all staff. A statutory based code of ethics for the Garda Síochána is in the final stages of preparation.

In addition to these codes, the Department of Finance updated its long-standing code of practice for the governance of State bodies in July 2009. I am pleased to inform the House that work on the extension of a code of a similar standard to the code of standards and behaviour for civil servants to the remaining areas of the public sector is at an advanced stage. Preparations are being made to initiate a consultation process with the relevant staff interests on the draft code of standards and behaviour for public servants in the very near future. It is expected the draft code will be circulated to all Departments in the coming weeks.

The provisions of the proposed code of standards and behaviour for public servants in the wider public sector will broadly reflect those set out for the Civil Service, including the rules applicable to officers designated under the Ethics Acts relating to outside employment following resignation or retirement. The initial scope of the draft code will include all public entities and bodies not already covered by an existing code other than the commercial State-sponsored bodies which are subject to the code of practice for the governance of State bodies issued by the Department of Finance.

We are all aware that the potential for a conflict of interest arises for public servants who propose to accept positions or engage in consultancy projects outside the public service following resignation or retirement. With regard to the specifics of the motion before the House, the proposed new code will make it obligatory for all serving public servants to declare any potential conflicts of interest in order to avoid any suspicion that the advice and decisions of a serving public servant might be influenced by the expectation of future employment or consultancy projects with a particular firm or organisation. Furthermore, it will oblige all public bodies covered by the code to monitor the acceptance of outside appointments by public servants resigning or retiring from the particular public body.

[Deputy Martin Mansergh.]

The proposed new code will also provide that public servants who hold positions which are designated positions for purposes of the Ethics Acts shall not, within 12 months of resigning or retiring from the service, accept an offer of appointment from an employer outside the public service or accept an engagement in a particular consultancy project where the nature and terms of such appointment or engagement could lead to a conflict of interest without first obtaining approval from the appropriate authority. Furthermore, even where the 12 month moratorium has elapsed, or where for other reasons approval is not required before taking up outside employment, the code will make it obligatory for such public servants to continue to observe the restrictions imposed by the Official Secrets Act 1963, as amended.

These rules will apply also to public servants in grades below the pay level of designated officers who, although not serving in a designated post at the time of their retirement-resignation, have served in such a post at any stage during the six months prior to their retirement or resignation. In such cases the 12 month period in which these rules apply will be reckoned from the officer's last day in the designated post.

The proposed new code will provide that any public servants who intend to be engaged in or connected with any outside business or hold designated positions under the Ethics Acts must make their applications in the following ways. Officers below grades analogous to assistant secretary level in the Civil Service must apply to the head of the public body in which they are serving or last served before retirement or resignation. Officers at and above grades analogous to assistant secretary level in the Civil Service will be brought within the ambit of provisions identical to those applied by the outside appointments board. I emphasise that it is not the intention to place an unnecessary burden on public servants in moving to the private sector. A mutual transfer of know-how, expertise, competence and experience between the public and private spheres is highly desirable, but protection of the public interest is a legitimate and, for the Government, an overriding concern. It is also expected the provisions in this area will not affect the generality of former public servants joining outside employment.

I will briefly comment on the role of the outside appointments board. The board was established under the Civil Service code of standards and behaviour as drawn up and promulgated by the Minister for Finance on 9 September 2004 pursuant to section 10(3) of the Standards in Public Office Act 2001 and published by the Standards in Public Office Commission in December 2004 pursuant to section 10(11) of the Standards in Public Office Act 2001. The board consists of the Secretary General, public service management and development, Department of Finance; the Secretary General to the Government and three other members who are not civil servants, one of whom acts as chairperson of the board. The board is mandated to maintain public trust in the Civil Service by independent scrutiny of post-employment appointments that senior civil servants propose to take up within one year of resigning or retiring from the Civil Service.

The objective of the board is to provide an open and transparent system of oversight of such proposed appointments that will protect the public interest without placing undue barriers in the way of movement of people with experience and expertise between the public and private sectors. The code directs the board to reach decisions on applications before it on the basis of whether there is a clear conflict of interests. The board may approve the application or apply conditions to its approval. It is responsible for approving applications from civil servants who, upon resigning or retiring from the Civil Service, propose to accept an offer of appointment from an employer outside the Civil Service or an engagement in a particular consultancy project "where the nature and terms of such appointment or engagement could lead to a conflict of

interest". The small number of cases processed by the outside appointments board since its establishment illustrates that the numbers of retiring civil servants moving to a job in the private sector which has similar attributes to the public sector job they are leaving is very small. For the future, all officers employed in the non-commercial State sector will be brought within the ambit of provisions identical to those applied by the outside appointments board.

Senators will readily appreciate and many have acknowledged that the public service plays an important and often critical role in virtually every facet of life in Ireland. The provision of public services and the conduct and behaviour of all public servants are critical and it is important that their actions and decisions are informed at all times by the principles of integrity, impartiality, effectiveness, equity and accountability. The proposed code will give statutory effect to these fundamental guiding principles for public servants. It will be promulgated pursuant to section 10(3) of the Standards in Public Office Act 2001.

The proposed code is designed to extend provisions of a similar standard to those contained in the Civil Service code of standards and behaviour to those parts of the wider public service not already covered by statutory codes. It will also complement similar codes already in place in the local government, health and other sectors. The introduction of this code will bring the public service within a systematic comprehensive, consistent and complementary code of standards and behaviour for the first time. The code sets out a transparent framework within which public servants must work and in a single document, it sets out the principles which govern the behaviour of public servants and the values which the public service espouses.

The code builds on the principles set out in The Ombudsman's Guide to Standards of Best Practice for Public Servants and mirrors the main elements of the model code of behaviour adopted by the Group of States against Corruption, GRECO. It also makes it clear that it is primarily a matter of individual responsibility, which was strongly stressed by Senator White in his contribution, for each public servant to ensure his or her actions, in the performance of duties, meet the highest standards of ethics and probity set out in the code.

The code is not intended to be an exhaustive list of guidelines for all possible eventualities. It therefore permits individual public bodies to provide additional guidance, as appropriate, for their own staff relevant to their own circumstances. It is proposed that the provisions of the code will apply on a mandatory basis to public servants other than those falling within the ambit of a sectoral code published in accordance with the provisions of a specific legislative requirement. In the case of any agency where the publication of a code is subject to a statutory requirement, the provisions of the proposed code shall apply until such time as publication occurs in accordance with the relevant legislation.

The draft code will be divided into three main parts. Part one covers the standards underpinning public service, part two obliges public servants to observe appropriate behaviour at work, and part three requires each public servant to maintain the highest standards of probity. The provisions concerning standards underpinning public service will, *inter alia*, require public servants to operate within the framework of the law and, in the performance of their official duties, to serve the public conscientiously, honestly and impartially; advise on and implement policy impartially; and avoid bias in their dealings with the public. It reiterates the rules governing public servants and politics, disclosure of information and the provisions which apply in the event of a public servant being convicted of a criminal offence.

Not only are the highest standards required in observing the law and dealing with the public but public servants will also be obliged under part two of the code to observe the highest standards in their behaviour at work. Specific requirements are laid down in regard to attend-

[Deputy Martin Mansergh.]

ance at work, the use and care of public money and resources, relations with colleagues and personal dealings with the public body in which they serve. Part three of the proposed code covers each of the elements necessary to ensure the highest standards of integrity are maintained by public servants. It includes detailed provisions concerning a wide range of interrelated topics such as the use of influence, conflicts of interest, disclosure of conflicts of interest, rules governing gifts and hospitality, contracts and purchases from other public entities, compliance issues and the review and operation of the code.

Part three will also include the provisions outlined earlier in regard to the acceptance of outside appointments, the acceptance of consultancy engagements following resignation or retirement and the role of the outside appointments board. As indicated, the Government is committed to fully implementing the provisions applicable to civil servants on the acceptance by public servants of outside appointments, the acceptance by them of consultancy engagements following resignation or retirement, and the provisions covering the role of the outside appointments board.

The code of standards and behaviour for public servants will be modelled on and follow the layout and appearance of the Civil Service code of standards and behaviour. The code will reflect the differences in the operational environment between the Civil and public service, incorporate up-to-date relevant provisions included in other more recent codes, especially the local authority and HSE codes of standards and behaviours, and reflect the different regime applicable to public servants with regard to politics

Codes of corporate governance of the highest standard are in the course of being implemented across the commercial and non-commercial State sector. On 15 June 2009 the Department of Finance published a revised and updated version of the code of practice for the governance of State bodies. This code sets out the governance framework agreed by Government for the internal management and the internal and external reporting relationships of commercial and non-commercial State bodies. The code of practice provides a framework for the application of best practice in corporate governance. State bodies and their subsidiaries are required to confirm to the relevant Minister that they comply with the up-to-date requirements of the code of practice in their governance practices and procedures. The requirements of the code of practice are to be applied in all trading subsidiaries and, as appropriate, in joint ventures of the State bodies. Appropriate confirmation should be provided to the relevant Minister. The code of practice consists of a number of comprehensive sections dealing with the board and directors; the remuneration of senior management and director's fees; risk management, accountability, internal control and internal audit; relations with the Oireachtas and the Minister; and specific procedures to be followed by State bodies on matters such as the establishment of subsidiaries, acquisitions, procurement, capital investment appraisal, travel, disposal of assets, tax compliance and the handling of legal disputes.

I assure the House that, prior to promulgating the code of standards and behaviour for public servants, the Minister for Finance will ensure the necessary consultations take place with the Standards in Public Office Commission, the relevant Departments and the staff representatives of the employees in the public bodies concerned. I am delighted to report the strong and consistent progress being made by this Government in advancing significantly the adoption of the highest standards of behaviour, probity and corporate governance across the entire Civil and public service. Once the consultation process on the proposed code of standards and behaviour for public servants is complete, the Minister for Finance will formally seek the approval of the Government for its promulgation to the wider public service.

The original motion deals with public servants retiring or resigning and taking up employment in the private sector. The amendment, irrespective of its contents, makes the enormous leap to recruitment embargoes, capacity building and organisational and business development in the Department of Finance. Senator O'Toole made a very ingenious defence of the linkage between the amendment and the motion but there is a case for regarding them separately, although they may be connected.

The concerns of Senators will be brought to the attention of the Minister and considered in the light of the Department's ongoing examination of needs with regard to deficits, skills, capabilities and competencies identified by the Secretary General of the Department of Finance. The Minister for Finance is fully conscious of the need to reskill and upgrade the Department's capabilities to address current and future challenges and I assure the House that the Minister, Deputy Brian Lenihan, will not be found wanting.

I will take a couple of minutes to reply to one or two specific points made in the debate. Economists have been attached to Departments for a long time. Dr. Garrett FitzGerald may have introduced the practice as he had an economist attached to the Department of Foreign Affairs and several economists, although not at the same time, including the present Governor of the Central Bank, when he was Taoiseach. Both the present Taoiseach and Minister for Finance have economists as advisers.

As was pointed out in the course of the debate, there are specialist agencies such as the National Treasury Management Agency which have a particular bank of expertise. I attended the IMF on behalf of the country in October 2008 at the height of the international banking crisis. There are many economists attached to the Central Bank which is one of primary bodies dealing with the subject.

I wonder if Senator O'Toole was speaking on behalf of public service unions when he suggested open competition for all promotions in the public service. I doubt it. Without having a closed mind on the topic, there has been a considerable opening of the process in the past 20 or 30 years. I would prefer the question of whether it would be wrong to get rid of the *esprit de corps* of the public service in that fashion to at least be debated before I could agree with the proposition.

Senator Ross asked about when knowledge goes out of date. I could not help but think that not every part of Government moves like greased lightning. As a civil servant in the late 1970s, I dealt with some issues that are still around or are only now being resolved. I share the Senator's scepticism. Often, knowledge is about how things work and techniques. We should not be too negative in this regard. As I stated, many people accept as a good idea the notion of private sector people entering the public sector for a while and acquiring some of the expertise of public servants. This could be dangerous in a few instances and a firewall would be necessary, but the code is not a blanket ban on moving into the private sector within one year. Rather, it is about a Secretary General or the outside appointments body addressing any serious questions.

Politicians were referred to, but this code only applies to a relatively small group, namely, current Ministers who move into the private sector. The same issues do not arise for backbenchers and Opposition politicians because everything they do and say is, broadly speaking, on the public record.

A Senator referred to a predecessor of mine but one in the Office of Public Works. To the best of my recollection, I have had no approaches of any kind in respect of a project or work in which the Department would be involved. There may be issues relating to the papers or

[Deputy Martin Mansergh.]

personal records of all ex-Ministers who are in touch with private offices. I have attended one dinner hosted by the Construction Industry Federation, CIF, and I am sure other Ministers have attended from time to time, but I assure the House that I am unaware of any conflict of interest arising in practice. There was a gap between the president of the CIF leaving his ministerial job and taking up his current office.

A point was made about councillors, companies and conferences. Many conferences would not survive without councillor input, so my view is positive. On the other hand, I have never liked the practice of one or two councillors, to put it diplomatically, arriving, signing on, departing after five minutes, collecting travel expenses and not being seen again. A tightening up is required.

Reference was made to disgraceful changes to the Freedom of Information Act. A matter that rarely enters public debate is the fact that some freedom of information requests, mostly from the media, require several civil servants to spend a considerable amount of time trawling through documentation, often for the benefit of a commercial organisation like a newspaper. They might send reams of documents but nothing gets printed thereafter. People ought to be aware there are costs.

A number of ex-planners are recruited for An Bord Pleanála because they have expertise. Many planners, especially in the boom years, left the public service because they could earn more money in the private sector. Obviously, they brought with them their techniques and expertise, but the majority did not bring inside knowledge of particular projects. In other words, they were not gamekeepers turned poachers.

We must consider the positives. We can be defensive and perhaps there are reasons and controversies that require us to be cautious and to insert precautions. I am supportive of the programme for Government and this motion, but one must also consider the positive cross-fertilisation between the public and private sectors. In the majority of instances, this can be to the benefit of everyone.

Senator Paddy Burke: I welcome the opportunity to say a few words on this motion. I also welcome the Minister of State to the House.

This motion is unworkable. We are blowing something up unnecessarily high. The code of practice consists of a number of comprehensive sections on boards of directors, remuneration, senior management, directors' fees, risk management, accountability, internal control, internal audit and so forth. Is there this much of a conflict of interest for public servants who move into the private sector? To phrase it bluntly, we are putting the cart before the horse.

I remember when declarations of interest were first introduced in respect of Members of both Houses. It was initially proposed that Members would declare all of their interests, a list of which would be held in the Houses or elsewhere, and that a committee would be established in the Dáil and another in the Seanad to determine whether a Member had a conflict. As events turned out, everyone's declaration was made public. I will not say whether this was a good or bad idea.

Nowadays county manager contracts only last seven years. Someone could finish his or her term as a county manager, move into the private sector and still be in his or her 40s. A job might come up. Is the Government honestly saying that job should be put on hold for 12 months before the manager could take it? If a job is advertised and a county manager, planning official or someone in procurement — the areas in which I presume most conflict exists —

applies for it on the spur of the moment because he or she wants to leave the public service, is he or she going to ask the other employer to hold the job for 12 months?

As Senator Alex White asked, who decides there is a conflict? The manager or whoever would need to apply to see whether there was a conflict. I presume there would be none in most cases. I recommend a board to investigate potential conflicts of interest subsequently. If it finds a conflict, a portion of the person's lump sum payment or pension should be withheld.

It is in this way that punishment should be meted out. A punishment should be imposed but this should take place after the fact. I cannot understand why we should try to oblige someone who wishes to leave the public service and take up a position in the private sector to wait 12 months to do so. That is how I interpret the motion but perhaps I am wrong.

Senator Ó Brocháin referred to councillors. I do not believe that councillors are claiming expenses in respect of conferences they do not attend. The majority of councillors attend conferences to obtain information for their personal gain and for that of the counties and local authorities they represent. At such conferences they obtain a valuable insight into how things operate in local authorities in other countries, etc.

Senator Niall Ó Brocháin: The Senator is being somewhat naive in respect of that matter.

Senator Paddy Burke: I do not believe that is the case. I am of the view that people do not claim expenses in respect of conferences they do not attend.

I must inquire again as to who will decide that a conflict of interest has occurred. When it has been established that such a conflict has arisen, some punishment should be meted out. This can only be done after the fact. We should not investigate every person who wishes to leave the public service and take up a position in the private sector. Only when it has been decided that a conflict of interest has arisen should an investigation take place and a punishment be imposed.

Senator Dan Boyle: I thank Senators Twomey, O'Toole, Ross, Alex White, Mary White, Ó Brocháin, Dearey and Burke for their contributions. I particularly thank Senator Burke for inserting a number of different viewpoints into the debate.

In general, the tenor the debate was supportive of the motion as tabled. There was a recognition that potential difficulties exist and an acceptance that this is a matter in respect of which reform is needed. Where criticisms were made, they were on the grounds that the motion was either inadequate or was too much of a precursor to the legislation that is to be introduced.

Extraneous matters relating to areas where reform may be required, for example, in respect of freedom of information, were also introduced to the debate. The motion is narrowly focused, however, to highlight something in respect of which agreement was reached and a commitment made and which will be brought into being. The purpose of this debate was to give Members the opportunity to inform the process relating to the drafting of the forthcoming legislation. This will ensure we will end up with the best possible Bill.

I thank the Minister of State for his contribution. He outlined the work that continues to be done to upgrade the various codes and standards of behaviour relating to all aspects of public life.

This debate had a number of secondary purposes, such as highlighting the fact that the extremely good codes that exist in respect of civil servants should also apply to public servants. There are areas of compromise in respect of which better legislation is required. An good argument was made in respect of the need to extend the new legislation to holders of elected

[Senator Dan Boyle.]

public office and I am of the view that this will influence the legislation that will eventually emerge. Various views were expressed in that regard, particularly in respect of whether the legislation should apply to everyone in public life or, as the Minister of State indicated, specifically to holders of elected public office. I would support the latter option because it is the expertise and specialist knowledge that can be obtained and which gives rise to the possibility of getting oneself into a compromising situation subsequently which should be taken into consideration when framing the legislation.

I listened carefully to what the Minister of State said in respect of the amendment. I accept that it comes from a different perspective and highlights a difficulty that exists in respect of recruitment. It refers to how we might involve people with expertise who have been in the employ of the public service or who could add to the expertise of the public service. I do not believe any Member argued against this happening. The Minister of State also placed on record the fact that the Minister for Finance is aware of the need to be proactive to ensure that any gaps that exist will be identified and will subsequently be filled and that there should be no impediments in this regard.

I have no wish to divide the House on this matter. The amendment, which is not especially compatible with the overall motion, seems to call for a subsequent statement on how the matters to which I refer might be dealt with and on how the Minister for Finance intends to respond to the concerns that exist. The Minister of State indicated that the Minister intends to respond in respect of this matter. In that context, there is nothing contentious in what has been said here and I am of the view that this matter is worthy of further debate.

I thank all Senators who contributed to the debate. They have assisted in highlighting this matter to a much greater extent. There is a broad consensus that improvement is required in this area, particularly in the context of public standards. It is my view that this debate will add to that improvement.

Amendment put and agreed to.

Motion, as amended, agreed to.

An Leas-Chathaoirleach: When is it proposed to sit again?

Senator Dan Boyle: Ag 10.30 maidin amárach.

Adjournment Matters

Legal Aid Service

Senator Cecilia Keaveney: This matter relates to the free legal aid scheme. There has been a significant increase in the number of solicitors who are prepared to participate in the scheme as a viable option. I can easily understand the reason for the change in terms of conveyancing and so on, given the downturn in the economy and the number engaged in development. Statistically, however, there has been a significant increase of approximately 90% in the number of solicitors who have taken on free legal aid portfolios.

This Adjournment Matter has been awaiting selection for a couple of months and I note the Minister for Justice, Equality and Law Reform has introduced changes to remuneration levels in providing free legal aid. I seek an update in this regard. I neither challenge the need for free

legal aid nor seek to undermine it. However, I suggest there is a need for clarity on means testing pertaining to qualification and on what is and is not covered. Moreover, having observed some court proceedings or monitored them from a distance, I seek clarity with regard to multiple appearances in court. While this could apply to any party in a court case, I refer to those in receipt of free legal aid, in particular. If one's case is constantly deferred for whatever reason, be it by the defence or the prosecution, does the level of expenses increase each time an appearance is made by the legal team? Alternatively, is there a defined number of occasions on which a solicitor or barrister will appear on one's behalf?

As the Minister has been contemplating the review and examination of the free legal aid scheme in its entirety, what are the priorities he intends to examine and review? What matters are causing concern? Does such concern focus on the part of the plaintiff or does it pertain to the amount of money the scheme appears to be absorbing? I acknowledge that I am not an expert on the subject, but it has interested me for a number of years. As I noted, I queried this issue a long time before I became aware of the Minister's press releases on his proposed changes to the scheme. I seek clarification on what has happened to date, future intentions, the points of concern and challenges and where the scheme is operating well.

Unfortunately, there are cases in which people really need the support of the free legal aid service. I wish to ensure those who need it most are the ones who receive it and that the limited resources available are spread in a manner that does not, for want of a better term, line anyone's pocket. However, the scheme should be a facility in place for practical purposes to meet a real need. The vast majority in the system require such assistance. However, my query pertains to those who may not be able to gain access to the system and whether there is a need to tweak the scheme.

Minister for Defence (Deputy Tony Killeen): Gabhaim buíochas leis an Seanadóir as ucht an ábhar tábhachtach seo a chur faoi bhráid an tSeanaid. My colleague, the Minister for Justice, Equality and Law Reform, is unable to attend and has asked me to extend his apologies and thank the Senator for raising this issue. It is a welcome opportunity to provide information on legal aid, both civil and criminal, and, in particular, to deal with some of the issues arising.

The Criminal Justice (Legal Aid) Act 1962 provides that free legal aid may be granted in certain circumstances for the defence of persons of insufficient means in criminal proceedings. Criminal legal aid is granted in all courts, including the District Court, the Circuit Court and higher courts. Under the Act, the grant of legal aid entitles the applicant to the services of a solicitor and, in certain circumstances, up to two counsel in the preparation and conduct of his or her defence or appeal. The judgment of the Supreme Court in *Carmody v. the Minister for Justice, Equality and Law Reform* in late 2009 extended the right to representation by counsel where a case contained a degree of gravity and complexity, as well as other exceptional circumstances, which taken together necessitated that legal aid should be granted.

Legal services under the scheme are provided by private solicitors and barristers who have notified the Minister for Justice, Equality and Law Reform and county registrars, respectively, of their willingness to have their names placed on panels to undertake legal aid work. The Department is responsible for the payment of legal aid fees and expenses to the legal practitioners but has no involvement in the day-to-day operation of the scheme, the assignment of lawyers or the granting of free legal aid, which are matters handled entirely by the Judiciary.

Criminal legal aid, with the exception of the Attorney General's scheme, is funded by the Department of Justice, Equality and Law Reform under Vote 19. The cost of the criminal legal aid scheme to the Exchequer has risen year on year, from just over €40 million in 2005 to €60

[Deputy Tony Killeen.]

million in 2009. The rise in costs can be attributed to a number of factors which include an increase in the number of legal aid certificates awarded by the courts, in which there was an increase of 50% between 2005 and 2009. In addition, an increase in resources during the same period within the Garda Síochána and the Judiciary led to a rise in the number of arrests and reduced processing times for court appearances. For example, the number of judges rose from 126 in 2006 to 148 in 2009. Moreover, more efficient court practices have reduced backlogs but increased the throughput of cases.

Rates paid to solicitors in the District Court in previous years were increased annually in line with national wage increases and between 2000 and 2009 the District Court rates increased by 40.5%. However, in 2009 reductions of 10.5% were made as part of an overall reduction in fees, including an 8% reduction under the Financial Emergency Measures in the Public Interest Act 2009. The initial financial allocation for criminal legal aid in 2010 was €51.6 million. However, that allocation was reduced by the Department of Finance by a further 8%, reducing the allocation to €47.4 million. Therefore, savings of €4.1 million are required in 2010. In this regard, a further reduction of 8% in fees for all professional criminal legal aid services will be implemented shortly.

The bulk of transactions and costs regarding criminal legal aid pertain to the District Court and the Circuit Court, at 39% and 43%, respectively. The Circuit Criminal Court has a lower number of cases, comprising 12% of the total, albeit of a more serious and costly nature. The greatest cost increases in the past two years are associated with an increased volume of criminal cases before the District Court, of which there were 550,694 in 2008, which constitutes an increase of 26% on the figure for 2007. Although the District Court cases are generally at the lower end of the scale, there has been a significant increase in the volume of indictable crimes dealt with summarily in that court. The number of such cases in 2008 was 68,491, which represents an increase of 42% on the figure for 2007.

The Civil Legal Aid Act 1995 provides the statutory basis for the administration of civil legal aid and advice services provided by the Legal Aid Board. The Act provides a statutory entitlement to all applicants for civil legal aid and advice. To qualify for services, individuals are required to satisfy the board's financial eligibility requirements. The service is provided, in the main, by solicitors in the full-time employment of the board working in law centres established by the board. In addition to the network of 30 full-time law centres and the medical negligence unit, legal services are also provided through 12 part-time law centres. A complementary service was introduced in 1993, whereby the board engages private practitioners in barrister order, maintenance and custody cases. The Act empowers the board to establish a panel of solicitors in private practice to provide legal aid and advice. Services of counsel are provided in accordance with the terms of an agreement between the Bar Council and the board. The board also provides legal services for asylum seekers, since 1999, and, more recently, victims of human trafficking.

The level of funding for the law centres decreased by 2.5%, from €26.988 million in 2008 to €26.31 million in 2009. In the latter year 14,073 applications were made at law centres, which was 18% ahead of the level of demand in 2008. The increase in demand for the Legal Aid Board's services has the knock-on effect of increasing the need for the board to use counsel in appropriate cases and private practitioners in circumstances where a law centre is not in a position to provide a timely service. At the end of 2009 expenditure on counsel fees had increased by 5% over the 2008 expenditure figure and 7% over the figure for 2007. Notwithstanding the fact that the board applied the 8% reduction in counsel fees from 1 March 2009,

the application of the 2009 reduction does not have an immediate effect on reducing the fees payable to counsel during 2009 because a considerable period of time is likely to elapse, approximately two and a half years, from the point at which a barrister is briefed until the case is completed and a bill presented for payment. Increased demand for the board's services also has an impact on the usage of counsel in cases.

Expenditure during 2009 on private practitioners in the District Court increased almost threefold on the 2007 expenditure figure. This reflects the Legal Aid Board's increased usage of the District Court private practitioner scheme to meet the increased demand for its services in recent years. The private practitioner scheme in the District Court assists the board in its efforts to provide a service for all eligible applicants in certain District Court matters, namely, domestic violence, custody, access and maintenance cases, within a reasonable period of time and at a modest cost. The number of legal aid certificates granted in 2009 was 3,921, almost double the 2007 number.

The Senator's concerns regarding legal aid reflect those of the Minister who has indicated a number of times in the recent past the Government's commitment to examining all of the issues associated with the provision and cost of legal aid and to establish the potential for savings and efficiencies. The forthcoming Criminal Justice (Legal Aid) (Amendment) Bill will contain provisions that will enable the introduction of a more robust method of means assessment and substantially increase the penalties for fraud and restrict the power to grant additional counsel to the trial court. In parallel, the potential to achieve further reductions through changing existing administrative systems and a market-based approach to the procurement of legal services is also being actively pursued. The issues and concerns identified in regard to costs in our criminal legal aid system are shared by other jurisdictions and any learning that can be taken from other international models will be applied if the evidence suggests it is appropriate to do so.

The Government is clear about its objectives in the area of legal aid; it will continue to guarantee the right to legal aid, as enshrined in the Constitution, to those who cannot afford their own legal representation but will do so through effective and efficient use of public funds.

Senator Cecilia Keaveney: I thank the Minister for his comprehensive response. It is welcome that more legislation is to be brought forward which will allow us debate this issue further. It is amazing the costs involved in the scheme have increased from €40 million to €60 million. The number of solicitors who have applied to participate in the scheme has increased by approximately 90%. I ask the Minister to ensure that when the proposed legislation is being drafted the people who need this service most will be the focal point of it. Two and a half years will have passed between the time a barrister first takes a case and the time he or she submits a bill for that work. Everybody is seeking justice but it must be justice served at a reasonable pace. Currently, the pace appears to be quite slow. I am not sure whether that is deliberate or because there are multiple appearances for which people are paid. That is the sort of aspect that must be streamlined. I appreciate improvements have been made in this regard recently but a 40% increase in the rates paid to solicitors in a few years is incredible.

Vehicle Registration Tax

Senator Pearse Doherty: I wish to raise the issue of the way vehicle registration tax is being applied by the Irish State and the fairness of that tax. We are well aware of the European Commission's dislike of this tax and that it has issued a directive that member states would phase out its application and move towards a road usage tax in the future. I appreciate the

[Senator Pearse Doherty.]

Irish State's sovereignty on this matter but we all accept the application of VRT works against the spirit of the European Union and the free movement of goods.

In my constituency in Donegal the application of VRT by this State can only be seen as the major political party in government, Fianna Fáil, profiting from partition. I represent a constituency that borders Fermanagh and Tyrone and the people in that community, particularly those living beside the Border, know the same type of car can be brought 36% cheaper across the Border which, effectively, is the cost of VRT on some classes of car. This State increases the price of a vehicle by 36% simply because it is bought on this side of the Border.

The figures for the number of vehicles on which VRT was paid in 2009 illustrate the importance for people in Donegal of this tax in that they look across the Border when they want to buy a car. Donegal has the second highest number of vehicles on which VRT was paid in 2009. Some 8,757 cars were registered in Donegal in 2009 and VRT was paid in respect of them — the highest number were registered in Dublin, which had some 300 more vehicles. Therefore, a total of nearly €15 million accrued from VRT from that county alone in 2009.

I call on the Minister for Finance to bring forward proposals that are practical, sensible and that recognise that the European Union is trying to phase out VRT in all member states, to introduce a proposal that would phase out VRT over a period of time and, if need be, replace it with a more common-sense approach in this respect.

I checked the Green Party's website and I note that under its policy on the economy section it has a statement on VRT to the effect that the Green Party will abolish motor tax or VRT on a phased basis. The Commission on Taxation report, commissioned by the Government in 2009, recommended its abolition over a phased period of ten years. When the Commission on Taxation made its recommendation it was working on figures that were outdated because it did not have the information we have today, which is that the total tax take from VRT in 2009 had dropped significantly by 66% down to €375 million. The projections by the Government and the Department of Finance for this year's tax take from VRT is that it will decrease again down to €365 million.

I hope the Minister of State will not put forward the argument that if VRT was to be abolished, excise duty on a litre of petrol and diesel would have to be increased by 25 cent to 30 cent because that is inaccurate. If he were to do so, he would be misleading this House because that would be based on figures for VRT at the height of the boom. I hope the Government has woken up to the fact that those days are over. The tax yield from VRT last year was €375 million, not €1.2 billion or €1.4 billion which it was in 2006 to 2008. Those days are over for many reasons that I do not have time to go into. One of the reasons is that the changes to the application of VRT in the past two years has meant it can no longer be passed on to apply to second hand cars.

The reality is that if VRT were abolished we would not have to come up with €365 million accruing from that tax. If VRT was abolished over a phased period, there would be an increase in new car sales. I note from figures I checked that the sale price of a 1.6 litre family car in the Twenty-Six Counties is €26,000 from which the Department of Finance takes €10,000. The car only costs €16,000 and of that €10,000 tax take €5,600 accounts for VRT. It is no wonder that people go across the Border to purchase their cars.

I am not asking for VRT to be abolished over night. If that was to happen, it would cause chaos because it would devalue cars that are in the system and it would create a shock in the second hand car market. We need a proposal to phase out the application of VRT. For example,

if we needed to recoup all the tax foregone from increasing the excise tax on fuel, which I would not recommend, it would amount to a 1 cent increase over the next ten years. Perhaps there is a case for not phasing out VRT completely and that a small standard charge should apply, but it is wrong that there is a difference of 36% between the price of a car bought in Lifford and the price of a similar car bought in Strabane.

I often listen to Conor Faughnan's announcements on the radio although I have not met him. He said:

VRT was always a con trick, a tax avoidance by the Government that stole back from the Irish people the benefits we voted for when we passed the Single European Act. Everyone has hated VRT since its inception. We hate it for the same reason we hate pickpockets.

Now is the time to bring forward proposals to abolish VRT, as the European Commission and the Commission on Taxation have requested us to do, and while the tax take from VRT is at rock bottom and is due to decrease this year. We need to strike at time and come up with a fairer system for those who want to purchase new or second hand cars in this State.

Deputy Tony Killeen: Gabhaim buíochas leis an Seanadóir as ucht an deis a thabhairt dom freagra a thabhairt ar an ábhar tábhachtach seo.

I take this Adjournment matter on behalf of my colleague, the Minister for Finance, Deputy Brian Lenihan. I welcome the opportunity to clarify some matters relating to the application of VRT in this State.

Section 132 of the Finance Act 1992 permits the Revenue Commissioners to charge VRT on the registration of vehicles in the State and provides that: "with effect on and from the 1st day of January, 1993, a duty of excise, to be called vehicle registration tax, shall be charged, levied and paid...". VRT is chargeable on registration of a motor vehicle in the State. All motor vehicles in the State, other than those brought in temporarily by visitors, must be registered with the Revenue Commissioners. A vehicle must be registered before it can be licensed for road tax purposes.

I must stress that, despite what some people claim, VRT is not in conflict with the EU treaties or the Single Market. In this regard VRT is a national tax and it does not contravene EU law. This principle has been underpinned by European Court of Justice judgments. Ireland is one of 16 member states that have some form of vehicle registration taxes. Some other member states have registration taxes that are higher than in Ireland, particularly Denmark.

VRT is charged on the open market selling price, the OMSP, of a vehicle in the State. The OMSP is defined in section 133 of the Finance Act 1992, and is the price, inclusive of all taxes and duties, which a vehicle may reasonably be expected to fetch on a first arm's length sale in the open market in the State by retail. The OMSP of new vehicles in the State is declared to the Revenue Commissioners by a wholesale distributor, while the OMSP of imported second hand vehicles is determined by the Revenue Commissioners, based on factors such as age, mileage and vehicle condition. With regard to the registration of both new and imported second hand used vehicles, VRT is charged at the appropriate rate on the full open market selling price.

The VRT system was rebalanced with effect from 1 July 2008. The tax in respect of passenger cars is now based on the CO₂ emissions of the car whereas previously it was related to engine size. In summary, under the current VRT system, the VRT rate applicable to new and used imported cars registered on or after 1 July 2008 is determined by the CO₂ emissions rating of

[Deputy Tony Killeen.]

the car. A seven band CO₂ emissions system, A to G, applies. It is underpinned by a new CO₂ emissions labelling system for cars on the lines of the energy efficiency labels for white goods introduced by the Department of the Environment, Heritage and Local Government. Seven VRT rates, ranging from 14% to 36%, depending on the car's CO₂ emission levels, are applied to the OMSP of the car.

The VRT system is also being used to encourage the purchase of series production electric, hybrid and flexible fuel vehicles. Full electric vehicles are exempt from VRT and certain hybrid vehicles, including plug-in electric vehicles and flexible fuel vehicles are provided with up to €2,500 relief on the VRT payable. The purpose of these reliefs is to encourage the development of these new technologies and thereby contribute to reducing the CO₂ emissions arising from the transport sector to below what it would otherwise be. The rebalancing of the VRT system combined with the rebalancing of the motor tax system has been successful in encouraging people to purchase low emission cars. For example, in 2009 some 58% of new cars purchased were in the lower two CO₂ emission bands and some 77% were in the lower three CO₂ emission bands. Assisted in part by the scrappage scheme during the first four months of 2010, some 76% of new cars purchased were in the lower two CO₂ emission bands while 88% were in the lower three CO₂ emission bands. This compares to 2006 when only around 15% of new cars purchased would have been in the lower two CO₂ emissions bands and under 40% would have been in the lower three CO₂ emission band categories. Furthermore, it should be noted that arising from the lower price of new cars under the July 2008 rebalancing of the VRT system, the average VRT paid on new cars reduced by well over 30% between the first half of 2008 and 2010.

In regard to out of State cars, including Northern Ireland cars used in this State, VRT is applied on the registration of new vehicles and imported second-hand used vehicles in the State. As a general rule, all vehicles imported permanently into the State must register for VRT purposes within seven days of arrival. This rule applies equally to vehicles imported by EU and non-EU persons. Section 135(a) of the Finance Act 1992 permits a European or other foreign registered vehicle, which is temporarily brought into the State by a person established outside the State, to be exempted from the requirement to register for VRT purposes for a period normally not exceeding 12 months from the date on which the vehicle concerned was brought into the State. These provisions are in line with Article 39 of the EU treaty which provides for the free movement of people within the EU. It is worth noting that a reciprocal arrangement is also in place for Irish State residents in fellow member states.

Section 64 of the Finance Act 2007 also provides for temporary exemption from the registration requirement for certain vehicles registered in another member state but used in this State by State residents on behalf of businesses established outside the State provided that the vehicle is used principally for business use outside the State, in this case, normally in Northern Ireland. In regard to the stoppage or detention of cars, I am informed by the Revenue Commissioners that a motor vehicle is detained or seized by authorised officers of the Revenue Commissioners where there is evidence it is being retained permanently in the State, is liable to registration and payment of VRT and its owner has failed to declare the vehicle and pay the VRT due within the period prescribed by law. A notice of detention or seizure is normally issued by the officer concerned. In a routine case, the seizing officer normally offers terms for local release of a seized vehicle. However, where aggravating circumstances such as commerciality, fraud or obstruction exist, the decision regarding release or otherwise is made by the VRT prosecuting unit, Bridgend, County Donegal to whom the officer will report the seizure.

Unless the offender is offered an export option, the normal release terms are payment of the VRT together with a fine or penalty which is calculated by reference to the category of the vehicle, the amount of VRT and the length of time the vehicle has been in the State. A vehicle is normally released once the VRT and penalty have been paid. However, where an individual is not in a position to pay the fine and VRT amounts together immediately, the vehicle can be released on payment of the fine alone on condition of the individual signing off an undertaking to pay the VRT within seven days.

While there is no legal obligation to do so, where a vehicle has been seized, it is normal practice for the seizing officer to ensure the owner can make arrangements to get to his or her home or place of work. Depending on the circumstances, this may mean driving the person to his or her home or to the nearest bus stop or train station if he or she is unable to make alternative arrangements to be picked up. This is normal practice except where a vehicle has been seized in circumstances of a hostile or aggravated nature. The decision on whether or not to offer release of the vehicle for removal from the State on payment of an appropriate fine is made by the seizing officer. The factors taken into account in arriving at a decision include the amount of VRT due, whether circumstances such as fraud or obstruction exist, the indications or otherwise of a commercial connotation and the extent to which the vehicle has been used in the State, which may indicate it was intended to be retained permanently in the State.

I am aware the EU Commission does not much like vehicle registration taxes and that the Commission and others, including the Commission on Taxation, have at various times called for the abolition of VRT. However, it must be recognised that in Ireland VRT is an important source of revenue for the Exchequer. For example, it yielded €1.3 billion in 2006, €1.4 billion in 2007 and €1.1 billion in 2008. The receipts for 2009, at €375 million, reflect the contraction in economic activity. One could not just abolish VRT without raising the equivalent amount of money from other sources. Introducing widespread road pricing has at times been mentioned but this is realistically still some way off. Abolishing VRT and collecting from another source the same amount of revenue that would have been raised in a normal year, for example 2008, would require an excise increase, inclusive of VAT, of 25 to 30 cent per litre on petrol and auto-diesel. There is no evidence that such measures would be any more agreeable to the public than is VRT and indeed each bring their own, if different, set of problems and difficulties. Consequently, there are no plans to abolish VRT.

Senator Pearse Doherty: I am thankful to the Minister for his reply although disappointed. A grassroots campaign has been established in Donegal in the past couple of weeks in response to an operation by customs officials in areas such as Inishowen. Complaints have been made in regard to the manner in which people were stopped and questioned, which is perhaps a separate issue.

I ask the Minister to acknowledge that the figures he has provided to the House do not, in terms of an increase in excise duty on fuel, petrol and auto-diesel, reflect the current tax take for this year. The Minister stated a 25 to 30 cent per litre increase on petrol and diesel would be required to replicate the loss of revenue from VRT. I want the Minister to acknowledge that this would be the loss of revenue in the years of economic boom when Deputy Bertie Ahern was Taoiseach and leader of Fianna Fáil. Replacement of the loss of revenue this year or last year would be only one third of that amount. I can supply the Minister with figures in this regard as provided by the Commission on Taxation. It states, for example, that a 1 cent increase on petrol and diesel over the next ten years would for each year accrue €187.7 million in respect of petrol and €193.5 million in respect of diesel, amounting to €381.2 million, which

[Senator Pearse Doherty.]

is in excess of the €375 million in VRT taken in last year and the estimated €365 million for this year.

Deputy Tony Killeen: My understanding is that the response as put on the record by me is correct.

The Seanad adjourned at 7.40 p.m. until 10.30 a.m. on Thursday, 13 May 2010.