



# SEANAD ÉIREANN

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## DÍOSPÓIREACHTAÍ PARLAIMINTE PARLIAMENTARY DEBATES

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### TUAIRISC OIFIGIÚIL OFFICIAL REPORT

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*Dé Máirt, 25 Deireadh Fómhair 2011.  
Tuesday, 25 October 2011.*

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Chuaigh an Cathaoirleach i gceannas ar 2.30 p.m.

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*Paidir.*

*Prayer.*

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#### **Business of Seanad**

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

The need for the Minister for Agriculture, Food and the Marine to make a statement on the quality issues encountered when exporting cockles from Dundalk Bay and provide the full records of the amounts of cockles taken so far this season per week in Dundalk Bay.

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

The need for the Minister for Agriculture, Food and the Marine to clarify the future of the fur farming sector in Ireland.

I have also received notice from Senator Kathryn Reilly of the following matter:

The need for the Minister for Education and Skills to discuss the criteria involved in the decisions surrounding the location of VEC headquarters following amalgamations and the costs involved in some of the relocation decisions.

I have also received notice from Senator Denis O'Donovan of the following matter:

[An Cathaoirleach.]

The need for the Minister for Justice and Equality to give an assurance that Kilbrittain Garda station, County Cork, will not be closed in the foreseeable future.

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

### Order of Business

**Senator Maurice Cummins:** The Order of Business is No. 1, Welfare of Greyhounds Bill 2011 — Second Stage, to be taken at the conclusion of the Order of Business and conclude not later than 5.30 p.m., with the contributions of group spokespersons not to exceed ten minutes and those of all other Senators not to exceed eight minutes, and the Minister to be called on to reply not later than 5.20 p.m.; and No. 2, statements on the report of the interdepartmental working group on mortgage arrears, to commence at the conclusion of No. 1 and conclude not later than 7 p.m., with the contributions of Senators not to exceed five minutes in each case, and the Minister of State to be called on to reply not later than 6.55 p.m. I advise Members that business may run slightly behind schedule this afternoon, as the Minister of State, Deputy Brian Hayes, is required to answer a question in the Dáil about the flooding that occurred yesterday and last night.

**Senator Darragh O'Brien:** I am pleased that we are to discuss the issue of mortgage arrears on the back of the Keane report, with which a number of us on this side of the House are disappointed. While I have nothing against the Minister of State, Deputy Hayes, I am disappointed that the Minister for Finance will not be in the House to answer questions on this issue or hear the views of Members on this side of the House who have published three Bills already to assist those in mortgage arrears. I remind the Leader and his colleagues that they saw fit to vote down the Family Home Bill 2011 which would have protected principal private residences.

I ask the Leader to urgently arrange a debate on the raid on private pensions undertaken by the Government which will take nearly €500 million from individuals who are saving for their retirement. The Leader might be aware of a report by Aon Hewitt, an eminent pension consultancy firm, which independently assessed a number of large pension schemes around the country and found that two thirds of would be paying the levy only by reducing their members' benefits. We have discussed in the House the 10% reduction in pensions among annuitants in the Tara Mines scheme and the same has happened in the airline workers' scheme. Of the €457 million raised through this private pensions raid, the Government has decided to trouser €200 million by putting it into the Central Fund. Two thirds of pension schemes are going to reduce benefits to persons who are already retired to pay the pension levy. I am, therefore, seeking an urgent debate on the matter. I want the Government to tell me how many jobs it has created so far through initiatives such as taking people's savings to pay for VAT reductions for large organisations.

Does the Leader agree with the comments of the Minister for Justice and Equality and Defence, Deputy Alan Shatter, who in having two portfolios seems to be the most powerful person in the State, inn calling into question the views of eight Attorneys General who raised serious concerns about the referendum on parliamentary investigations, concerns that I raised in the House with the Minister for Public Expenditure and Reform, Deputy Brendan Howlin? The Minister dismissed the views of the former Attorneys General as nonsense. This arrogance shown by the Minister to eight Attorneys General, appointed by different parties, is outrageous. In stark terms, it also shows the sheer arrogance shown by the Government to both consti-

tutional referenda. In the case of the investigations referendum, it is sleepwalking the public into voting “Yes”.

**Senator Catherine Noone:** We are not.

**An Cathaoirleach:** Senator Darragh O’Brien, without interruption.

**Senator Darragh O’Brien:** That is exactly what the Government is doing. I raised grave concerns with the Minister for Public Expenditure and Reform, Deputy Howlin, when the investigations referendum Bill was presented to the House, none of which has been answered. The Government has not campaigned for this referendum.

**Senator Catherine Noone:** It is not the Government’s fault. There is a presidential election.

**An Cathaoirleach:** Senator Darragh O’Brien, without interruption.

**Senator Darragh O’Brien:** I remind Members opposite again, as I did last week during the Private Members’ motion on barrack closures, that they are in government now.

**Senator Catherine Noone:** We are, thank God.

**Senator Darragh O’Brien:** These two referenda have been proposed by their Government but they are not even campaigning for them.

**Senator Catherine Noone:** We certainly are.

**An Cathaoirleach:** Senator Noone should desist. Senator Darragh O’Brien, without interruption.

**Senator Darragh O’Brien:** In front of the people is the investigations referendum, the single biggest change to civil liberties and the Constitution since 1937. This referendum is flawed and rushed legislation.

**An Cathaoirleach:** Is the Senator looking for a debate about this issue?

**Senator Martin Conway:** Is the Senator voting “Yes” or “No”?

**Senator Darragh O’Brien:** I propose an amendment to the Order of Business that Deputy Shatter, the Minister for Justice and Equality and the Minister for Defence, the most powerful man in the Government, sees fit to come into the Houses and answers the charges he has laid against eight Attorneys General. He simply dismissed them in an out-of-hand and arrogant fashion which reflects the arrogant fashion in which the Government——

**Senator Catherine Noone:** Arrogance? Senator Darragh O’Brien should not talk to us about arrogance.

**An Cathaoirleach:** Senator Noone should desist.

**Senator Darragh O’Brien:** If you do not like it, be quiet. Members opposite know they are sleepwalking the public into making the single biggest change——

**Senator Catherine Noone:** We are not.

**An Cathaoirleach:** The Senator’s time is up.

**Senator Darragh O'Brien:** —which will mean people can be brought into the investigations committee, on which I serve, with the committee deciding whether they are entitled to legal representation. The committee can make findings of fact—

**An Cathaoirleach:** The Senator can raise those matters in a debate.

**Senator Darragh O'Brien:** —against people who may have been vindicated in the courts. I propose an amendment to the Order of Business, that the Minister for Justice and Equality and for Defence, Deputy Shatter—

**Senator Terry Leyden:** The same person holds both portfolios.

**Senator Darragh O'Brien:** —who should not be holding both portfolios, a concern we raised previously, should come to the House to explain, perhaps to his colleagues opposite whose parties are in government, what the referendum is about.

**Senator Catherine Noone:** We over here know full well what this referendum is about.

**An Cathaoirleach:** I call Senator Bacik.

**Senator Darragh O'Brien:** Members opposite are proponents of this referendum—

**An Cathaoirleach:** Senator Darragh O'Brien is over his time. I have called Senator Bacik.

**Senator Darragh O'Brien:** —which has been proposed by the Government and they should explain to the public what they are trying to do with this referendum. I propose an amendment to the Order of Business that the Minister, Deputy Shatter, be brought into the House today to discuss the serious concerns that my colleagues and I raised with the Minister for Public Expenditure and Reform, Deputy Howlin, on the investigations referendum.

**Senator Terry Leyden:** One defiant person. Two in one.

**Senator Ivana Bacik:** I am delighted Senator Darragh O'Brien raised the issue of the referendum on Oireachtas inquiries, one which I also want to raise. It is interesting because he does not sound like he was speaking about the same referendum we debated in the House for a full—

**Senator Darragh O'Brien:** I took that Bill for the Opposition and was here for four hours.

**An Cathaoirleach:** Senator Darragh O'Brien has just spoken.

**Senator Ivana Bacik:** As Senator Darragh O'Brien said, we had a four-hour debate on the Bill. All parties supported the referendum.

**Senator Darragh O'Brien:** With grave reservations.

**An Cathaoirleach:** Senator Bacik, without interruption.

**Senator Ivana Bacik:** During the debate on the referendum, the Minister for Public Expenditure and Reform, Deputy Howlin, answered comprehensively the questions we raised. I am one of the few people who have read all the heads of the Bill that accompanied it and the fifth report of the Oireachtas Joint Committee on the Constitution.

**Senator Darragh O'Brien:** I have read both documents.

**Senator Ivana Bacik:** I remind Members opposite——

**Senator Darragh O'Brien:** Is the Minister, Deputy Shatter, coming to the House today?

**Senator Ivana Bacik:** ——that 12 months ago the Oireachtas Joint Committee on the Constitution invited submissions from members of the public on how to address the precise issue of the Abbeylara judgment.

**Senator Darragh O'Brien:** Do you have a question for the Leader?

**Senator Fidelma Healy Eames:** Senator Darragh O'Brien should put his questions through the Chair.

**An Cathaoirleach:** Senators should speak through the Chair.

**Senator Ivana Bacik:** Will the Leader organise a proper debate on political reform and accountability of the Executive, following what I very much hope will be the successful passing of the referendum on Thursday? Despite being a member of the legal profession, I am fully supportive of this referendum precisely because——

**Senator Darragh O'Brien:** Does Senator Bacik support the comments made by the Minister, Deputy Shatter, about eight former Attorneys General?

**An Cathaoirleach:** Allow Senator Bacik speak without interruption.

**Senator Darragh O'Brien:** Does Senator Bacik support the comments made yesterday by the Minister, Deputy Shatter?

**An Cathaoirleach:** The Senator should desist.

**Senator Ivana Bacik:** I respected Senator Darragh O'Brien's contribution earlier. I am fully supportive of this referendum precisely because I believe this referendum will involve a rebalancing of power away from the Judiciary and towards the elected representatives of the people. As we said during the full debate on the referendum, which all Members present then supported, this is about placing trust back in elected representatives to conduct fact-finding inquiries.

**Senator Fidelma Healy Eames:** Hear, hear.

**Senator Ivana Bacik:** We already have, under 1997 legislation——

**Senator Darragh O'Brien:** Does the Senator support what Deputy Shatter said yesterday?

**Senator Ivana Bacik:** May I finish?

**An Cathaoirleach:** Could we have Senator Bacik without interruption, please?

**Senator Ivana Bacik:** Under 1997 legislation, the Oireachtas committees already have power to compel witnesses to attend. There is immense scaremongering by my learned friends in the legal profession——

**An Cathaoirleach:** We are not discussing it now, unless it is decided to do so by the House. Does Senator Bacik have a question for the Leader?

**Senator Darragh O'Brien:** Let us have the Minister, Deputy Shatter, before the House today.

**Senator Ivana Bacik:** I certainly do not agree——

**Senator Darragh O'Brien:** Does Senator Bacik support what he stated about the Attorneys General?

**An Cathaoirleach:** I ask Senator O'Brien to desist. Does Senator Bacik have a question for the Leader?

**Senator Ivana Bacik:** I call for a debate in which we can fully discuss the issues of political reform and how we implement the referendum. In response to Senator Darragh O'Brien's question on the Attorneys General, I do not share their interpretation of the Constitution——

**Senator Darragh O'Brien:** Does the Senator agree with what the Minister, Deputy Alan Shatter, said about the Attorneys General?

**Senator Ivana Bacik:** I will not use the same language that the Minister, Deputy Shatter, used but I will state this——

**Senator Darragh O'Brien:** The Senator does not support him. At least she is honest.

**Senator Catherine Noone:** Let Deputy Bacik speak.

**Senator Ivana Bacik:** It is the job of Attorneys General——

**An Cathaoirleach:** Through the Chair.

**Senator Ivana Bacik:** I have not had a chance to make a point, with respect. As Senator Darragh O'Brien knows, Attorneys General must be cautious and conservative——

**Senator Darragh O'Brien:** I wish the Minister was cautious and conservative in his remarks.

**Senator Ivana Bacik:** ——in their interpretation of the Constitution and of the law. This would colour any advice, recommendation or interpretation they give and I do not share their interpretation.

**Senator Darragh O'Brien:** It was outrageous and Senator Bacik knows it.

**Senator Rónán Mullen:** I second the amendment to the Order of Business proposed by Senator Darragh O'Brien. I am very glad he has raised this issue. The Leader mentioned that the Minister of State, Deputy Brian Hayes, was required to answer a question before the Dáil. The Ministers, Deputies Shatter and Rabbitte, should also be required to answer a question before the Dáil and the Seanad as to why have they contributed to the debasing of public debate by the manner in which they have conducted their argumentation on these referenda.

**Senator Darragh O'Brien:** Hear, hear.

**Senator Rónán Mullen:** I listened to the Minister, Deputy Rabbitte, debating with Noel Whelan on the issue and I heard the extraordinary comments made last night by the Minister, Deputy Shatter. What characterised both is that they have sought to play the man and not the ball. They seek to cover up the fact they have very weak arguments on the substance and merits of their referendum proposals and instead attribute motivation to those who oppose the referendum, suggesting for example they are out to protect the patch of tribunal lawyers. This is unworthy of the Government and if they display to the questions this worrying attitude to power and politics——

**An Cathaoirleach:** This is a point the Senator can make during the debate.

**Senator Rónán Mullen:** I am asking the Leader a question. I am calling for these gentlemen to come before the House and explain themselves because they are doing something very serious. They propose a referendum in which sweeping powers will be allowed to politicians to investigate the conduct of other persons. We see the type of unreasonable judgmental comments they themselves are capable of making. It is quite unworthy of them. When one considers that academic lawyers — people who do not stand to gain from the tribunals or any other system and people like myself who focus on politics rather than on the law — making arguments on their merits, the least they could do is try to debate the issue on its merits instead of attacking people and making snivelling little allegations about people's motivation. It is very unstatesmanlike and raises questions about the reactionary approach of the Government to people who oppose its agenda.

**Senator Catherine Noone:** If a few more people opposed Fianna Fáil a few years ago, there would be a lot——

**Senator Rónán Mullen:** Will the Minister, Deputy Shatter, confirm whether what I heard is true, namely, that contact was made either by him or on his behalf with the Bar Council to try to warn it against coming out against the referendum on Oireachtas committee inquiries and threatening that if it did come out against it, it might go to its disadvantage as it seeks to amend the forthcoming Legal Services Regulation Bill?

**Senator Darragh O'Brien:** Bully boy.

**Senator Rónán Mullen:** If this happened it is truly a scandal and I propose to ask this question directly of the Minister, Deputy Shatter——

**Senator Maurice Cummins:** Who suggested that?

**Senator Rónán Mullen:** ——if and when he comes before the House.

**Senator Ivana Bacik:** That is outrageous.

**Senator Fidelma Healy Eames:** We can say what we like about the two referenda but certainly I agree the media has focused too much on the presidential election to the detriment of coverage of the two referenda, and this must be taken into account.

**Senator Ivana Bacik:** Hear, hear.

**Senator Fidelma Healy Eames:** I have done much campaigning for the referenda and in the presidential election in recent weeks——

**Senator Terry Leyden:** Not very successfully.

**An Cathaoirleach:** Senator Healy Eames, without interruption.

**Senator Terry Leyden:** Senator Healy Eames should have stayed at home.

**Senator Fidelma Healy Eames:** I have learned much, including that this House needs to pursue solutions for genuine issues bothering and affecting people's lives at present. One of these is mortgages, which I am delighted we will debate this afternoon. Another is the serious issue of unemployment. Almost half of the total number unemployed, or 185,000 people, have been out of work for more than one year and are now classified as long-term unemployed.

[Senator Fidelma Healy Eames.]

This is a serious structural issue for society, with damning social, personal and economic repercussions.

I have a proposal which I ask the Leader to present to the Minister for Social Protection, Deputy Joan Burton, namely, that she immediately consider the provision of a voluntary part-time work programme to enable people to work for social welfare payments. I have evidence that there is a demand for such a programme. Through my office and the various agencies involved, I have received requests from unemployed solicitors, accountants and architects to avail of appropriate opportunities to carry out fulfilling work in return for social welfare payments. This is a no-brainer when people want to work. If further evidence is needed, when Fr. Seán Healy discussed the EU 2020 strategy with the Joint Committee on European Union Affairs last week, he presented a proposal to put 100,000 people to work on a voluntary basis while receiving the social welfare allowance plus €20 a week, at a total cost to the Exchequer of €170 million. I urge the Leader to present this proposal to the Minister and, more importantly, invite her to discuss it in the House. We cannot let the people or the spirit of the nation die. We cannot allow Australia to rob us of our people. The Celtic tiger proved that people wanted to work and they are willing to work for their social welfare allowances as part of internship and other programmes. We need to be proactive on the issue.

**Senator Terry Leyden:** I support Senator Healy Eames in calling for Fr. Healy's proposal to be debated in the House. I ask the Leader to facilitate such a discussion after the break because such a debate would be worthwhile in allowing good ideas to be suggested.

I concur with Senator Darragh O'Brien on the remarks made by the Minister for Justice and Equality, Deputy Alan Shatter. Last night I received word that his comments had caused outrage. He said eight former Attorneys General had no credibility and that some of them had signed documents on Government economic policy or legal advice.

**An Cathaoirleach:** The Senator can make these points during the debate.

**Senator Terry Leyden:** Will we have a debate?

**An Cathaoirleach:** That is up to the House.

**Senator Terry Leyden:** I second the motion. The Minister's attack on Mr. Dermot Gleeson was the most outrageous of all. Mr. Gleeson is a former grandee——

**An Cathaoirleach:** We are not going to discuss details and names.

**Senator Terry Leyden:** Mr. Gleeson is a Fine Gael grandee.

**Senator Maurice Cummins:** Names again.

**An Cathaoirleach:** The party of which Mr. Gleeson is a member does not matter. We are not going to discuss an individual in the House.

**Senator Catherine Noone:** The Senator should think about that.

**Senator Maurice Cummins:** He cannot continue to name people in the House.

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Terry Leyden:** I am elaborating on the point.

**An Cathaoirleach:** These are points the Senator can make during the debate.

**Senator Terry Leyden:** The Minister said Mr. Gleeson was chairman of AIB at a time when that bank was lending enormous sums in doubtful circumstances.

**An Cathaoirleach:** We do not need to elaborate on these points on the Order of Business.

**Senator Terry Leyden:** We do. Senator Darragh O'Brien has done us a great service by raising the issue today.

**An Cathaoirleach:** Is the Senator supporting the call for a debate on it?

**Senator Terry Leyden:** On the referendum, I ask the Leader to arrange a debate on the proposed 30th amendment of the Constitution. One reason I will vote in favour is it will assist in the preservation of this House.

**Senator Catherine Noone:** Well said.

**Senator Terry Leyden:** The amendment clearly states each House shall have the power to conduct an inquiry. Why would one seek to abolish this House if one was going to give it the power to conduct inquiries? Why was this House not excluded if the Government was determined to abolish it?

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Terry Leyden:** I am voting "Yes" on Thursday because I want to preserve this House and to ensure judges' remuneration is reduced in accordance with that of everybody else. I ask the Leader——

**An Cathaoirleach:** The Senator's time is up.

**Senator Terry Leyden:** Let this be the first House——

**An Cathaoirleach:** These are points the Senator can make during the debate.

**Senator Terry Leyden:** ——to use the amendment when it is passed.

**An Cathaoirleach:** The Senator is out of time.

**Senator Terry Leyden:** We might bring Mr. Dermot Gleeson here first and question his management of AIB.

**An Cathaoirleach:** The Senator should not mention names on the Order of Business.

**Senator Terry Leyden:** Let him come before this House to answer questions.

**An Cathaoirleach:** The Senator should not making such charges using the privilege of the House.

**Senator Terry Leyden:** This is very serious. I am asking the Leader to ensure this House will be the first to use the amendment.

**Senator Ivana Bacik:** The Senator is as excitable as ever.

**Senator John Gilroy:** I have heard some outbursts since I became a Member of this House six months ago, but what we have heard this afternoon is rather extraordinary. If we are talking

[Senator John Gilroy.]

about political reform and trying to save this House, perhaps the first thing we might be able to do is abolish Senator Terry Leyden.

**Senator Terry Leyden:** They have been trying to do that since 1977.

**Senator John Gilroy:** Indeed, they have.

**Senator Michael Mullins:** His own party leader has been trying to do so.

**Senator Terry Leyden:** I thank Senators for their votes. They are appreciated.

**Senator John Gilroy:** I support Senator Ivana Bacik's call for a full debate on constitutional reform. We have heard another extraordinary outburst from Senator Rónán Mullen. It was very ungenerous of him to suggest the Government was defending this proposal in some spiteful fashion, or putting it forward just because we thought the tribunals were costing too much money. There is no doubt that they are costing too much money. To use a rugby term, we are straightening the line in favour of the rebalancing of democracy and the elected representatives of the people. It would be good to have a proper inquiry system.

**Senator Ivana Bacik:** Hear, hear.

**Senator John Gilroy:** I do not see the controversy. A contrived controversy is being stirred up by the Opposition.

**Senator Ivana Bacik:** Hear, hear.

**Senator John Gilroy:** I would like to respond to Senator Darragh O'Brien's suggestion that the Government is not campaigning on the issue. It is campaigning strongly on it.

**Senator Darragh O'Brien:** Where is it campaigning?

**Senator John Gilroy:** Perhaps if Fianna Fáil——

**An Cathaoirleach:** These points can be made during the debate.

**Senator John Gilroy:** The Cathaoirleach is quite right.

**Senator Darragh O'Brien:** There has been no campaign.

**Senator John Gilroy:** If the entire Fianna Fáil organisation is not out campaigning for Seán Gallagher, perhaps it might put a bit of effort into this.

**An Cathaoirleach:** We are not discussing the campaign on the Order of Business.

**Senator Darragh O'Brien:** The only guy for whom we are campaigning is David McGuinness in Dublin West.

**Senator Feargal Quinn:** We have had a constitution since 1937 and it has worked very well for us. If we are to tamper with it, we should do so with very delicate fingers and thoughts. We should be careful about how we do it. A clear objective of the Government side should be to say why we want these two amendments to be made. The discussion we need to have has not nearly taken place. A debate today and tomorrow would give us an opportunity to discuss it.

**Senator Ivana Bacik:** We have had 12 months of discussion.

**Senator Feargal Quinn:** Therefore, I support Senator Darragh O'Brien's call for the Minister to come to the House, although I appreciate it would be at short notice. It seems this debate has been superseded by the Presidential election debate which has taken prominence from it. The vast majority of the public do not know enough about it. People have not had time to consider it. This is an occasion for us to do something.

I was going to call on the Government to do something about the weather, but it must have done something about it today because there has been a big improvement. There is something it can do on the issue of daylight hours. We will lose an hour of daylight each evening from this weekend. I know I raise this matter on a regular basis, but it is in our own hands to do something about it. If we were to use Central European Time, we would enjoy an extra hour of daylight in the evening the whole year around. This would benefit tourism, industry, education, health and society as a whole. I am not suggesting we ask others in Europe to change anything such as the times or dates on which this is done, rather I am suggesting we use Central European Time. It is interesting that Britain is giving serious consideration to this issue and I think it is planning to follow us if we move first. We should, therefore, announce that it is our intention to move to Central European Time when I think we would find the British would follow us. Clearly, it would not be an advantage for us to do it on our own if it meant Belfast and Dublin were in different time zones. It is possible to do this and the case has been made for it. There is a very strong case being made in Britain which is moving in that direction. The first Bill is coming through and it has been accepted on Second Stage. We have to give serious consideration to the matter immediately. This weekend will see another step in the wrong direction. We should make sure it is the last time we make this change.

3 o'clock

**Senator Rónán Mullen:** It is in our own hands — the big hand and the little hand.

**Senator Catherine Noone:** I express my support for Senator Feargal Quinn. I agree with him on this issue, on which I will try to do anything I can, which is obviously not as much as those with real power.

I would like to express my concern about the flooding that occurred yesterday and last night. We saw many examples of bravery and an off-duty garda lost his life trying to save people. I am not sure exactly where it occurred, but we cannot forget that this went on just yesterday in the city.

I was disappointed to read today that the floodgates in Sandymount were left padlocked in an open position by whoever is in charge of it. I do not understand the technicalities, but this is another example of something the city council should have controlled and should not have occurred. I would like the Leader to pass on my concerns to the Minister for the Environment, Community and Local Government. Perhaps he could address it when he is in the House.

The newspapers do not seem to be taking my VAT watch very seriously. Newspapers have benefitted from the VAT reduction, which was intended to increase domestic consumption and tourism. This applies to newspapers, whether they like it or not.

**An Cathaoirleach:** Is the Senator looking for a debate on this issue?

**Senator Catherine Noone:** I want the Minister for Finance to come to the House to discuss the VAT issue. I have issued a press release on this, so the newspapers know what I am talking about. If the newspapers insist on putting up prices when VAT comes in and then moving things around to suit themselves, that is not on.

I join Senator Bacik in expressing my support for the referendum on Oireachtas inquiries.

**An Cathaoirleach:** There is an amendment to the Order of Business on the issue.

**Senator Catherine Noone:** We have a proposal, but I do not agree with the way the Minister said what he said.

**An Cathaoirleach:** Those points can be made during the debate.

**Senator Catherine Noone:** I would welcome the Minister in the House, because he will be able to explain, perhaps in a more measured way, what is happening. I issued a press release on this three weeks ago because I knew this would happen.

**An Cathaoirleach:** The Senator is out of time. This is not relevant.

**Senator Catherine Noone:** I knew this was going to happen——

**An Cathaoirleach:** The Senator is using the time of other Senators.

**Senator Catherine Noone:** We needed greater discussion on this issue and that we have not is because of the presidential election, as Senator Healy Eames said. The Opposition should welcome this, because it is——

**An Cathaoirleach:** The Senator is out of time. I call Senator Cullinane.

**Senator David Cullinane:** I want to join with previous Senators in passing on my condolences on the death of Garda Ciaran Jones, aged 25, from Manor Kilbride, who was killed when he was swept away while warning motorists about floods in the River Liffey in County Wicklow. We have heard many stories of bus drivers, taxi drivers and people from our emergency services who did a fantastic job last night in the face of unprecedented flooding. This House should have a discussion about the emergency plan put in place by Dublin City Council and by the emergency services. By all accounts it worked very well and it is important that we keep on top of these plans and ensure that the council and all the emergency services have the resources and the ability to deal with a crisis when it emerges. I commend those who were involved yesterday and I offer my sympathies to the family of Garda Ciaran Jones.

I would also like to offer my sympathies to the family of Deputy John Halligan, whose mother passed away. He is a fellow Oireachtas Member from my constituency.

**An Cathaoirleach:** There is a procedure for tributes. It requires a suspension of Standing Orders.

**Senator David Cullinane:** Okay. My final point is about the inquiries referendum. Given the corruption, cronyism and the brown envelope culture that we have seen from Fianna Fáil over the years, it is quite interesting that they would have a difficulty with investigations and inquiries.

**Senator Darragh O'Brien:** The Senator's colleagues ran around the country killing people. What is he talking about?

*(Interruptions).*

**An Cathaoirleach:** Senator Cullinane, without interruption.

**Senator David Cullinane:** I would welcome the debate because it will show up why we needed tribunals in this country in the first place. It is because of that cronyism, that culture and the

brown envelope brigade that we have had tribunals. That is why we need these powers to be given to politicians——

**Senator Darragh O'Brien:** Where is the Northern Bank money?

**Senator David Cullinane:** ——in order that we can comprehensively deal with these issues. If the Senator has information on any bank property, he should contact the Garda.

**Senator Darragh O'Brien:** Sinn Fein is the biggest fundraiser in Ireland.

**An Cathaoirleach:** Please allow Senator David Cullinane to continue, without interruption.

**Senator David Cullinane:** What Senator Darragh O'Brien cannot stomach is that his party is rotten to the core with the brown envelope culture, cronyism and everything that has been wrong with politics in this country for the past 30 years. Now he does not want accountability and scrutiny because he fears them.

**Senator Ivana Bacik:** Well said.

*(Interruptions).*

**Senator Darragh O'Brien:** What about the old republican movement?

**An Cathaoirleach:** Please, Senator.

**Senator Darragh O'Brien:** The strokers are back together again.

**Senator Jim D'Arcy:** Empty vessels make the most noise.

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Jim D'Arcy:** I do and it is about the referendum. When I see that carbuncle, Mr. Michael McDowell, popping his head up again to say we are wrong, it makes me think we are doing the right thing.

**An Cathaoirleach:** There is a proposal to amend the Order of Business and what the Senator has said is completely out of order.

**Senator Jim D'Arcy:** It is true.

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Jim D'Arcy:** Yes, I do. I welcome Senator David Cullinane's support for the proposal to amend the Constitution. In that spirit, I sympathise with him on the death of his great friend, Muammar Gaddafi.

*(Interruptions).*

**An Cathaoirleach:** The Senator is completely out of order.

**Senator Mark Daly:** I support the proposal to amend the Order of Business. Last week we discussed credit unions, but I ask the Leader to arrange another such debate in the light of letters sent to the Irish Financial Services Regulatory Authority in 2004. At the time Mr. John Mahony of Rathmore Credit Union warned the regulator that the granting of pre-approved bank loans to release equity and the writing to customers would result in the setting up of a tribunal ten years hence to examine how all of this had come about.

**Senator Maurice Cummins:** What did the Senator do about it?

**Senator Mark Daly:** That leads me to the interesting intervention made by our learned colleagues, the former Attorneys General. I will be supporting the referendum on Thursday because I believe that, like other parliaments, we should have powers to investigate. We should have confidence in ourselves to investigate those who have done wrong, the vested interests.

**Senator Ivana Bacik:** That is precisely the point.

**An Cathaoirleach:** Senator Mark Daly to continue, without interruption, please.

**Senator Mark Daly:** I will take three of those involved in making that statement. Mr. Peter Sutherland, in the DIRT inquiry——

**An Cathaoirleach:** We cannot discuss individuals on the Order of Business.

**Senator Mark Daly:** Okay, I will talk about them in general terms. One of them happened to be involved in the DIRT inquiry carried out by the Houses——

**An Cathaoirleach:** There is a proposal before the House to amend the Order of Business. The Senator is either supporting that proposal or he is not. He can make these points in the debate.

**Senator Mark Daly:** I am speaking in support of the proposal made. The person concerned was criticised in the last inquiry conducted by the Houses; it is no wonder, therefore, that he does not want to see powers being granted which could be used to bring him before them again.

**An Cathaoirleach:** We are not discussing personalities. Does the Senator have a question for the Leader?

**Senator Mark Daly:** Will the Leader ask the Attorney General to come before the House? We have the power to do this. I have already asked for him to attend under Standing Order 56 on a different issue. Other individuals signed the letter to the newspaper.

**Senator Rónán Mullen:** Is the Senator going to cast aspersions on all eight of them? Is that the way this issue will be fought out? That is the very reason we should not have parliamentary inquiries, if politicians behave like the Senator.

**An Cathaoirleach:** Does Senator Mark Daly have a question for the Leader?

**Senator Mark Daly:** Senator Rónán Mullen does not have the confidence to carry out inquiries on behalf of the public, other than people at bar counters who have a vested interest in this issue.

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Mark Daly:** I am asking for an amendment to the Order of Business.

**An Cathaoirleach:** An amendment has been proposed to it. Does the Senator have a second amendment to propose?

**Senator Mark Daly:** I am supporting the amendment proposed because once again there are vested interests having another go.

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Mark Daly:** They are using the trojan horse, saying the Oireachtas would have too much power and that as a result the people should not support the proposed amendment to the Constitution.

**An Cathaoirleach:** The Senator is completely out of order.

**Senator Mark Daly:** What is proposed is done in America, England and elsewhere, yet——

**An Cathaoirleach:** I call Senator Conway. I ask Senator Daly to please resume his seat.

**Senator Mark Daly:** Mark my words — Mr. Dermot Gleeson who was chairman of AIB will appear before an Oireachtas inquiry, as he should.

**Senator Martin Conway:** I endorse everything our colleague Senator Mark Daly said. I have a serious problem with the manner in which the Referendum Commission has conducted itself throughout the campaign. It is publicly funded to run a proper campaign, but its advertisements have been pathetic in the extreme.

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Catherine Noone:** They are even grammatically incorrect.

**Senator Martin Conway:** I am speaking against the amendment but saying the Referendum Commission is publicly funded——

**An Cathaoirleach:** These are points that can be made during a debate.

**Senator Martin Conway:** I ask the Leader to arrange a debate on the performance of the Referendum Commission in the exercise of its duties in the information campaign on the consequences of a “Yes” or a “No” vote. If its campaign were run properly and its advertisements were professional and not pathetic, as they have been, the public would be informed as to the importance of a “Yes” vote in both referendums.

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Martin Conway:** I would like to know the eight former Attorneys General who have made statements on the referendum. Has any of them voluntarily given up his State pensions?

**An Cathaoirleach:** We are not discussing this issue. Does the Senator a question for the Leader?

**Senator Martin Conway:** Yes. I am asking the Leader to arrange a proper debate on the role of the Referendum Commission and how it has conducted itself in respect of the two upcoming referendums, the amount of taxpayers’ money spent on funding it, and the advertising agency used by the commission to choreograph and put together its pathetic, appalling advertisements. We need a complete review of the relevant legislation.

**Senator Labhrás Ó Murchú:** It could only be good to have the Minister for Justice and Equality, Deputy Alan Shatter, present in the House. We were elected to this House to discuss important issues such as changes to the Constitution. It would be helpful, therefore, if the Minister attended in advance of the referendums to make our discussion worthwhile. The Referendum Commission, under the former Mr. Justice Brian McMahon, has done an excellent job, from which we should not take in any way. Unfortunately, as a result of the presidential election, the referendums have been sidelined. There is a considerable lack of knowledge about

[Senator Labhrás Ó Murchú.]

them among the public. I do not attribute ulterior motives to the Government in bringing them forward. It is possible, however, that it is an emotional reaction to experiences in this country for a number of years, but that is not the right way to consider a change to Bunreacht na hÉireann, as the emotion will eventually diminish and be diluted. However, Bunreacht na hÉireann will remain. We must bear in mind that we are dealing with something vital and fundamental that is deserving of much greater debate.

To suggest holding a certain view on the referendum on parliamentary inquiries might suggest we do not trust ourselves is not the way to approach this matter. Talking about motives is not what it is about. We should not be doing this for those who are in favour or against the proposed change. Neither is it a question about the legal profession; rather, it is about citizens. We should be representing them and reflecting their views in the House. It is not, therefore, a matter of trusting ourselves. One should bear in mind that, by their very nature, politicians have agendas. That is expected of them. There is no doubt that they have loyalties and are susceptible to lobby groups, as may be expected of them, but they are not part of the judicial system. That is where the difference lies. I do not feel comfortable about voting in the referendum on parliamentary inquiries next Thursday based on our experiences in the Oireachtas. It is a great pity the media did not play a full role. We should not blame the Government for this. I heard senior journalists admitting on radio this morning that they had not done what they should have done in this regard.

**An Cathaoirleach:** The Senator should ask a question of the Leader.

**Senator Labhrás Ó Murchú:** To some extent the debate has gone astray from what we are trying to achieve, that is, the importance of Bunreacht na hÉireann to the lives of the people and, above all, what we consider should be fair play and due process and all such issues. I am learning by the hour from the debates I have heard of elements of this referendum that are not clear. I hope the Minister will come into the House in the next 24 hours and debate the matter.

**Senator Pat O'Neill:** I was amazed at the weekend to hear about the under-17 World Cup which took place in Mexico. A total of 24 teams competed and, by the end of the tournament, 19 of the them had tested positive for angel dust. I congratulate Mexico on winning the competition. Its players did not test positive for angel dust because the team was put on a diet of fish.

Our food safety and food security are the strictest and best in Europe, if not the world. At a meeting of the Joint Committee on Communications, Natural Resources and Agriculture, I heard that the EU, under a new agreement, will increase the level of imports of beef from the USA and Canada — these countries use hormones in their beef industries although the proposal is to import high-quality beef which is hormone free — from the 20,000 tonnes we were importing in 2009 to 48,200 tonnes by August 2012. While this may not seem a lot of beef given the size of the EU, it is more than a 100% increase, and this will continue. I realise these arrangements are a part of trade negotiations and our beef is banned from these countries because of BSE as part of a continuous trade agreement.

I call on the Leader to ask the Minister to continue to make statements on the safety and security of Irish food and to raise this matter at EU level. What is the possibility of an angel dust carcass getting in? What level of scrutiny is in place? Is one carcass in every 100 tested, is it one in every 1,000 or is every carcass tested? I call on the Leader to ask the Minister to clarify this. If there is a food scare concerning beef, no matter whether it is US, Canadian, Brazilian or Mexican, our beef industry will be in big trouble again. I call on the Leader to ensure the Minister continues to talk up the security we have in place in this country in respect of beef

and the quality of our food and to ensure the greatest scrutiny continues to be applied in this country to beef imports or any food imported from outside the European Union.

**Senator Paschal Mooney:** I support Senator O'Neill, who has done a valuable public service in raising this issue and I support him in this regard.

Charges and counter-charges were levelled across the floor by a Member. I remind the Member that it was a Fianna Fáil-led Administration which set up the tribunals and the conclusions of those tribunals resulted in several Fianna Fáil politicians receiving jail sentences in some instances. Any suggestion that we, as a party, were reluctant in any way to expose or uncover the corruption that went on in Irish life is disproved by that point in itself.

In the charge and counter-charge, we were asked for examples. I offer the Member one example from his home county. Three men walked into a bank in Tramore. One hustled a young civil servant back into the bank, kicked him to the ground and then shot him in front of his three year old son. The sequel has unfolded in the past two months. When the party of that Member, who is a fine man and a good public representative but I am discussing policy, makes charges, then it is, as one of their people said on television last night, a case of going into murky waters making such allegations.

**An Cathaoirleach:** Has the Senator a question for the Leader?

**Senator Paschal Mooney:** Within the past six weeks that party commended the getaway driver of that car on making a contribution to Irish freedom.

**An Cathaoirleach:** What is the Senator's question to the Leader?

**Senator Paschal Mooney:** That party's definition of a contribution to Irish freedom is killing an unarmed, innocent civil servant in front of his three year old son.

**An Cathaoirleach:** We are not discussing party politics. Does the Senator have a question for the Leader?

**Senator Paschal Mooney:** Perhaps Sinn Féin, which experiences collective amnesia, is attempting to encourage people to have collective amnesia about the atrocities it committed on this island in the name of Irish republicanism. Its members have some neck.

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Paschal Mooney:** They have sullied the flag and the good name of republicanism. As someone who had to emigrate to England, I was subjected to anti-Irish feeling in Britain when they were bombing innocent people to kingdom come. They have some neck.

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Paschal Mooney:** I hope people will reflect on that. I recommend that Senators read three articles in last week's *Sunday Independent*, which showed exactly where Sinn Féin stands. It is time its members subjected themselves to scrutiny and accountability. How dare they?

**An Cathaoirleach:** The Senator's time has elapsed. I call Senator Mullins.

**Senator Paschal Mooney:** I support the call to bring the Minister for Justice and Equality before the House. As Senator Ó Murchú noted, serious issues are continually emerging on the referendum and I strongly support the view, in the interests of the Government's proposals,

[Senator Paschal Mooney.]

that the relevant Ministers come before the House to clarify the precise implications of the two referendums.

**Senator Michael Mullins:** I support the innovative proposal made by Senator Healy Eames that the House debate with the Minister for Social Protection, Deputy Joan Burton, at the earliest opportunity, the ideas proposed by Fr. Seán Healy in respect of people who wish to work in lieu of receiving their social welfare payment and a small additional consideration. The country is on its knees and many of our young people are emigrating. At such a time, we must examine every possible innovative idea to return people to work and restore pride in our country.

In light of the severe flooding in Dublin last night and the possibility of severe weather conditions returning in the coming months, I ask the Leader to arrange a debate with the Minister for the Environment, Community and Local Government, Deputy Phil Hogan, on the preparedness of his Department and local authorities for severe weather conditions. Last night's events serve as a warning which we must heed. I join other Senators in offering sympathy to the family of Garda Jones and the lady who regrettably lost her life in Dublin city centre last night. Although weather alerts were in place last night, we need to be much better prepared for sudden severe weather conditions. It would be appropriate for the Minister to outline to the Seanad the level of preparedness for flooding and the severe frost and ice we experienced last winter. I ask the Leader to arrange such a debate.

**Senator Denis O'Donovan:** I will try to be balanced in my response in support of the proposal to amend the Order of Business made by Senator Darragh O'Brien. It is my experience in various constituencies that 80% of people do not know what the referendum on increasing the powers of the Oireachtas is about. The referendum on judges' pay is fairly clear. While it is easy to blame the Referendum Commission for the confusion surrounding the second referendum, it would be unfair to do so given that the commission was given minimum notice. The referendum has been rushed. As a former Chairman of two Oireachtas committees and someone who was involved in the Abbeylara sub-committee and a second, similar sub-committee, I support the proposal of providing additional powers for Oireachtas committees. Nevertheless, members of the public are not aware of the issues on which they will vote and while most of them are ignorant of the merits and salient features of the proposal, they are aware of its demerits. At best, they are confused and many of them accept that the issue is a confusing one.

I suggested previously in respect of a proposed referendum on children's rights that referendums on serious matters should be held on their own. I am not being political when I say it is a mistake that the referendum on Oireachtas committees is being held on the same day as the presidential vote. The presidential campaign by seven individuals has so focused public and media attention that they have lost sight of the real issue, which is my concern. Leaving the emotions and the politics aside, it might be a good thing for the Minister for Justice and Equality, Deputy Shatter, or another Minister to attend this House to allay the fears of the public, because there are serious concerns. The amendment which proposes to increase the powers of Oireachtas committees is only a sideshow to the presidential campaign.

**Senator Catherine Noone:** That is not the case.

**Senator Denis O'Donovan:** The commission tasked with the responsibility of explaining the merits and so on of this campaign has been given little time to do this.

*(Interruptions).*

**Senator Denis O'Donovan:** It has turned out to be a sideshow. Clarification should be brought to this debate because it is most confusing. I merely relate what people throughout west Cork are telling me.

**Senator Maurice Cummins:** Senator O'Brien, as leader of the Opposition, again raised the question of pensions. The Minister for Finance, Deputy Noonan, dealt comprehensively with several items in that regard in this House and the Minister for Social Protection, Deputy Burton, will attend in coming weeks. When we discuss pensions we should also consider the profits of pension companies and the fees they charge. A programme on pensions was broadcast recently on RTE. While I accept that two thirds of pension funds are in deficit, the programme also highlighted the fees pension companies charge their customers, which should also be examined.

I understand the Attorney General is fully supportive of the Government's constitutional amendment proposals. Senators O'Brien, Conway, Ó Murchú, Mullen, Leyden, O'Donovan and others spoke about both referendum proposals and there were criticisms of the Referendum Commission. People have looked for comprehensive debates on the matter. We had a four-hour debate on this item on 22 September. I do not know whether it is that Members were not prepared in their contributions at the time——

**Senator Darragh O'Brien:** That is very unfair.

**Senator Maurice Cummins:** ——or that they wish to speak on it now, but I cannot understand it.

**Senator Rónán Mullen:** The Leader guillotined the motion.

**Senator Maurice Cummins:** There is a committee on the Constitution, of which Senator O'Donovan was a member, which invited submissions in October 2010 regarding these proposals for a referendum on this issue. People have had ample time. I understand from a recent poll that only 20% of people are undecided in regard to both referendums. Members are getting very exercised over matters on which the people have decided by now, and they will indicate their support when they cast their votes next Thursday. I have the utmost confidence, therefore, in the people being well informed on any matter.

**Senator Paschal Mooney:** They are not well informed.

**Senator Maurice Cummins:** This House certainly had sufficient time and the public were invited——

*(Interruptions).*

**Senator Maurice Cummins:** I reiterate that people were invited in October 2010 to make submissions. The matter has been dealt with comprehensively and I have no intention of having a further debate——

**Senator Darragh O'Brien:** Why not? What harm would there be?

**Senator Maurice Cummins:** ——two days before the actual referendum.

**Senator Darragh O'Brien:** Why could there not be an open debate on this? It makes no sense.

**An Cathaoirleach:** The Leader, without interruption.

**Senator Maurice Cummins:** Senator Healy Eames mentioned the need for concrete proposals to deal with the mortgage crisis. I hope there will be such proposals when the House discusses

[Senator Maurice Cummins.]

that matter and the job situation. The Minister for Social Protection, Deputy Burton, will attend the House on 17 November for a question and answer session and I am sure there will be concrete proposals and suggestions from Members regarding the issue of unemployment. When the Minister comes before the House, she will address that and other matters relating to social protection.

Senator Feargal Quinn has raised the issue of daylight saving time and the possibility of a switch to Central European Time on numerous occasions during my time in the Seanad. I will certainly bring the matter to the attention of the appropriate Minister. The Senator's suggestion seems laudable and I will try to discover what is the thinking of the Government on it.

**Senator Rónán Mullen:** Perhaps we might switch to central European weather also.

**Senator Maurice Cummins:** Senator Catherine Noone referred to yesterday's flooding in the capital and throughout the country which caused great hardship for many. I am sure all Members wish to extend sympathy to the families of Garda Ciaran Jones and the woman from the Philippines who lost their lives in the floods.

Senator Michael Mullins referred to the preparedness of local authorities to deal with the effects of winter weather. In the next week or two the Minister for the Environment, Community and Local Government, Deputy Phil Hogan, will come before the House. The Senator can address his concerns about this matter to the Minister at that time.

Senator Pat O'Neill made an important point on food safety, particularly in the context of the importation of beef from other countries. Like Senator Paschal Mooney, I agree that we should take every opportunity to highlight the safety of Irish beef. I will raise this matter with the Minister for Agriculture, Food and the Marine.

I must inform Senator Mooney that I am well aware of the atrocity which took place in Tramore many years ago. I refer to the murder, in front of his three year old son, of a man who was on holiday in the town at the time.

As stated, I do not propose to accept the amendment proposed to the Order of Business.

**An Cathaoirleach:** Senator Darragh O'Brien has proposed an amendment to the Order of Business: "That a debate with the Minister for Justice and Equality and Defence on the forthcoming referendum on the power of the Oireachtas to conduct inquiries be taken today." Is the amendment being pressed?

**Senator Darragh O'Brien:** Yes.

Amendment put.

The Seanad divided: Tá, 13; Níl, 27.

Tá

Daly, Mark.  
Leyden, Terry.  
MacSharry, Marc.  
Mooney, Paschal.  
Mullen, Rónán.  
Ó Domhnaill, Brian.  
Ó Murchú, Labhrás.

O'Brien, Darragh.  
O'Donovan, Denis.  
Power, Averil.  
Quinn, Feargal.  
van Turnhout, Jillian.  
Wilson, Diarmuid.

Níl

Bacik, Ivana.  
Barrett, Sean D.  
Bradford, Paul.

Brennan, Terry.  
Burke, Colm.  
Clune, Deirdre.

Níl—*continued*

Coghlan, Eamonn.  
 Comiskey, Michael.  
 Conway, Martin.  
 Cullinane, David.  
 Cummins, Maurice.  
 D'Arcy, Jim.  
 D'Arcy, Michael.  
 Gilroy, John.  
 Hayden, Aideen.  
 Healy Eames, Fidelma.  
 Higgins, Lorraine.

Kelly, John.  
 Landy, Denis.  
 Moloney, Marie.  
 Moran, Mary.  
 Mulcahy, Tony.  
 Mullins, Michael.  
 Noone, Catherine.  
 O'Neill, Pat.  
 Reilly, Kathryn.  
 Whelan, John.

Tellers: Tá, Senators Paschal Mooney and Diarmuid Wilson; Níl, Senators Ivana Bacik and Jim D'Arcy.

Amendment declared lost.

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

The Seanad divided: Tá, 29; Níl, 11.

Tá

Bacik, Ivana.  
 Barrett, Sean D.  
 Bradford, Paul.  
 Brennan, Terry.  
 Burke, Colm.  
 Clune, Deirdre.  
 Coghlan, Eamonn.  
 Comiskey, Michael.  
 Conway, Martin.  
 Cullinane, David.  
 Cummins, Maurice.  
 D'Arcy, Jim.  
 D'Arcy, Michael.  
 Gilroy, John.  
 Hayden, Aideen.

Healy Eames, Fidelma.  
 Higgins, Lorraine.  
 Kelly, John.  
 Landy, Denis.  
 Moloney, Marie.  
 Moran, Mary.  
 Mulcahy, Tony.  
 Mullins, Michael.  
 Noone, Catherine.  
 O'Neill, Pat.  
 Quinn, Feargal.  
 Reilly, Kathryn.  
 van Turnhout, Jillian.  
 Whelan, John.

Níl

Daly, Mark.  
 Leyden, Terry.  
 MacSharry, Marc.  
 Mooney, Paschal.  
 Mullen, Rónán.  
 Ó Domhnaill, Brian.

Ó Murchú, Labhrás.  
 O'Brien, Darragh.  
 O'Donovan, Denis.  
 Power, Averil.  
 Wilson, Diarmuid.

Tellers: Tá, Senators Ivana Bacik and Jim D'Arcy; Níl, Senators Paschal Mooney and Diarmuid Wilson.

Question declared carried.

### **Welfare of Greyhounds Bill 2011: Second Stage**

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

**Minister of State at the Department of Agriculture, Food and the Marine (Deputy Shane McEntee):** I am pleased to bring the Welfare of Greyhounds Bill 2011 before the Seanad and look forward to an informed and constructive debate during its passage through the House.

[Deputy Shane McEntee.]

The greyhound racing industry is a very important one.

According to Bord na gCon, the greyhound industry is responsible for sustaining 11,000 full and part-time jobs, directly and indirectly, many of which are in rural communities. The industry provides an estimated €500 million for local economies around the tracks spread throughout the country. The greyhound breeding sector is also very successful, with approximately 75% of greyhounds now running in the United Kingdom Irish-bred. Furthermore, it should be highlighted that greyhound racing attracts a significant number of continental European visitors to Ireland and I am hopeful this aspect of the industry will develop.

As Members know, the Bill arises from the debates last year on the Dog Breeding Establishments Bill 2010 which sought to ensure proper standards of animal welfare in dog breeding establishments involved in what is known as puppy farming. Following the enactment of that Bill, it was agreed to introduce separate legislation to regulate the greyhound industry, with a view to optimising the level of animal welfare in the industry.

*4 o'clock* Whereas the policy objective is similar to that of the Dog Breeding Establishments Act with regard to animal welfare, the approach taken in the Welfare of Greyhounds Bill differs owing to the distinct nature of and the controls applying to the keeping of greyhounds.

During the debate on the Dog Breeding Establishments Bill it was acknowledged that the greyhound industry already had a system of self-regulation in place which included certain welfare provisions. One of the major strengths of the industry is that the Irish Coursing Club identifies and registers greyhounds individually in the stud book so as to ensure the integrity of the racing system. The industry already has welfare provisions in place. I acknowledge the work of the Irish Coursing Club and Bord na gCon on the various aspects of self-regulation, but it is appropriate to provide a statutory basis for welfare provisions in the industry and the Welfare of Greyhounds Bill addresses that issue.

In bringing forward the Welfare of Greyhounds Bill I have taken cognisance of existing procedures operated by the Irish Coursing Club and Bord na gCon in the greyhound industry with regard to identification, registration and welfare. In contrast, the Dog Breeding Establishments Bill was directed at the unregulated sector known as puppy farming. I am pleased to say Bord na gCon and the Irish Coursing Club agreed with the need for legislation to regulate all aspects of welfare throughout the industry, thus protecting the country's reputation in the care of greyhounds. Preparation of the Welfare of Greyhounds Bill has involved wide-ranging consultation with a variety of interested parties, including Departments, Bord na gCon, the Irish Coursing Club, voluntary bodies and animal welfare groups, especially those concerned with dogs. I thank all those who participated in the consultation process for their constructive input and I am confident we have struck an adequate balance in accommodating various points of views.

For the purposes of the Bill, greyhounds are defined as all greyhounds entered in the Irish greyhound stud book and they will be covered by the welfare provisions included in the Bill. Welfare requirements specified in the Bill require animal keepers to safeguard animals in their care. These are in addition to the general provisions relating to cruelty included in the Protection of Animals Act 1911 and the amending legislation of 1965. Greyhounds not registered in the stud book cannot be covered by the scope of the Bill but will continue to be covered by general animal welfare legislation, as well as the Dog Breeding Establishments Act 2010, where relevant. The provisions included in the Bill apply to all greyhounds entered in the stud book. Nevertheless, I saw merit in establishing a register of greyhound breeding establishments. These are premises at which not fewer than four greyhound bitches are kept, each of which is more than 15 months and has been or is being used for breeding. The scope of the Bill extends to

all greyhounds in the racing and coursing industry, not just those found on a premises registered as a greyhound breeding establishment under the Bill.

The Dog Breeding Establishments Act 2010 provides for a hitherto unregulated industry of puppy farming, with no existing system either for the registration of individual dogs for stud book purposes or of the premises on which they are kept. The welfare provisions included in the Act apply to dogs on premises registered under the Act. Senators will be aware that there is a variety of opinions on any issue of animal welfare, particularly the welfare of dogs. However, with greyhounds, fewer problems are involved than in the business known as puppy farming. I am confident that the provisions included in the Welfare of Greyhounds Bill and the extensive powers to be given to welfare officers will result in a very high standard of welfare for greyhounds.

In today's debate, I intend to summarise the provisions of the Bill, my overall approach and the details of how this system will work. I will also outline the points of similarity and difference with the Dog Breeding Establishments Act 2010.

A crucial aspect of this Bill is that a greyhound bitch will not be allowed to breed until she is 15 months of age, compared with a stipulation of six months in the Dog Breeding Establishments Act 2010. The Bill also places a limit on the number of litters a bitch can produce. Stewards of the Irish Coursing Club visit all greyhound breeding premises to register and identify all new litters to ensure the integrity of racing. This Bill provides a legislative basis for them to deal with all aspects of welfare on such visits. Local authorities will be enabled to appoint welfare officers who will be given the same level of powers as stewards of the Irish Coursing Club. I envisage close liaison between personnel from the Irish Coursing Club and the local authorities. The Bill will form the basis of a co-operative relationship between local authorities, Bord na gCon and the Irish Coursing Club. The legislation requires that reports of inspections or details of welfare notices be notified to the Irish Coursing Club, Bord na gCon and the relevant local authority.

This Bill grants a wide range of powers to welfare officers and allows them to specify various items in welfare notices. However, these provisions will not present any difficulty to individuals who take due cognisance of welfare requirements, have proper premises and operate their business in co-operation with their local veterinary practice, as appropriate. The Bill provides that a period of up to three months will be provided from the commencement of the Act for greyhound breeding establishments to be registered. It will be lawful for an existing dog breeding establishment to continue to operate for this period. This will enable a smooth transition to full registration of greyhound breeding establishments.

In line with best practice in any regulatory regime, there will be an appropriate scale of regulatory actions which can be taken to ensure compliance. I have provided for some offences for which fines and custodial sentences will be possible upon summary conviction and other lesser offences, mainly concerning records or registration, for which only fines or in some cases fixed penalty notices will apply. A provision is necessary to require owners of establishments to co-operate, within reason. There is general need for such a provision. It is particularly important in cases where an establishment operates from the private home of the owner. The draft Bill makes provision, in circumstances where the consent of the occupier to enter a dwelling is not forthcoming, for the authorised person to apply to the District Court for a warrant to enter.

I will now go through the main provisions of the Bill. Sections 1 to 5 contain the usual provisions of a general nature dealing with such matters as the Short Title, commencement, definitions, service of notifications, notices and documents, expenses of the Minister and the

[Deputy Shane McEntee.]

making of regulations. The key definition is that of a “greyhound breeding establishment”. According to section 2:

“greyhound breeding establishment” means a premises used, in whole or in part, for breeding greyhounds at which not less than 4 greyhound bitches are kept, each of which—

(a) is more than 15 months old, and

(b) has been or is being used for breeding purposes,

but does not include a premises at which not less than 6 bitches (other than greyhound bitches), each of which is more than 6 months old and is capable of being used for breeding purposes, are also kept;

The Dog Breeding Establishments Act 2010 defined “a registered breeding establishment” as a premises with not fewer than six breeding females. A lower number — four — is used in this Bill. As greyhounds are more specialist animals than dogs, it was felt that a lower number of bitches was appropriate to require registration as a breeding establishment under this Bill. The age limit of 15 months that is specified in this Bill for a greyhound bitch to be bred is much higher than the six-month limit that was stipulated in the 2010 Act. This is dealt with later in the legislation. These provisions have been the subject of intensive and constructive debate. They have the support of the Bord na gCon and the Irish Coursing Club.

Sections 6 to 10 deal with welfare in general. Section 6 requires the publication of codes of practice for welfare with the consent of the Minister of Agriculture, Food and the Marine. I have required that such codes be published in draft format on the Internet to allow for feedback prior to finalisation and publication on the Internet. Section 7 provides for welfare standards for greyhounds in terms of accommodation, food and drink, exercise, health and safety. It is important to note that this section applies to all greyhounds, regardless of whether they are on the premises of a “registered breeding establishment”. This is an important difference between this Bill and the Dog Breeding Establishments Bill 2010, which applies to dogs on registered premises only. This Bill builds on an existing and effective regulatory system and will underpin the welfare of all registered greyhounds. Section 8 provides for regulations regarding welfare and related matters. These build upon the general duty of care and codes of practice and will allow greater detail to be specified.

Section 9 provides for the identification of greyhounds. I have allowed for both the traditional tattooing method and for microchipping. Greyhounds are individually identified by tattooing for registration in the studbook maintained by the Irish Coursing Club as this is vital for the integrity of the industry. As tattooing is a long-standing tradition, it is not necessary to require breeders to change their methodology at this stage. The important thing is that every greyhound pup is uniquely identified and this is verified by DNA analysis programme. In contrast, the Dog Breeding Establishments Act 2010 deals with a sector where individual pups in the dog breeding establishments concerned have hitherto not been required to be identified by any method. In that situation, microchipping was considered to be the appropriate method of identification to be used.

Section 10 provides a requirement to notify the sale or transfer of greyhounds, and this is important to allow for traceability and responsibility to attach to owners. Both the person selling the greyhound and the new owner are required to notify the Irish Coursing Club of the change of ownership. The owner is also required to notify the Irish Coursing Club of the death of a greyhound. The registered owner is at all times responsible for the greyhound’s welfare.

Part 3, containing sections 11 to 16, inclusive, concerns greyhound breeding and the registration of greyhound breeding establishments. Section 11 prescribes that a greyhound bitch under 15 months of age cannot be mated. This is considerably higher than the minimum breeding age of six months specified in the Dog Breeding Establishments Act 2010. This section also restricts to six the number of litters a greyhound bitch can produce as there are welfare concerns with greyhounds carrying an excessive number of litters. A further two litters may be permitted under veterinary certification. The Irish Coursing Club will not be permitted to register litters born to greyhounds in contravention of these requirements and, consequently, such greyhounds will not be permitted to race or be used in coursing events.

Section 12 provides for the establishment and maintenance of a register of greyhound breeding establishments. These are premises with four or more greyhound bitches over 15 months of age that have been or are being used for breeding. This is lower than the number of breeding bitches specified in the Dog Breeding Establishments Act 2010, which stipulates that premises with six or more breeding bitches must be registered. The Irish Coursing Club may refuse to register a premises if the application is not in order, the applicant is in breach of the Act or the Irish Coursing Club is of the opinion that the premises is not suitable for operation as a greyhound breeding establishment. Each registered greyhound breeding establishment will receive a registration certificate which must be prominently displayed. There will be a grace period of three months following commencement of the Bill to allow existing establishments to register.

The existence of the Irish Coursing Club's stud book means that there is already a record of all greyhounds in the industry. This legislation applies to all greyhounds registered in the stud book, regardless of whether they are kept in registered greyhound breeding establishments. The maintenance of a register of greyhound breeding establishments facilitates greater control and allows resources to be directed at the larger premises as appropriate.

Section 13 states that if the Irish Coursing Club intends to refuse registration of a premises or to make registration of a premises subject to conditions, the applicant must be informed in writing by the club. The applicant has 14 days to make representations to the Irish Coursing Club on this matter. Section 14 further provides for procedures whereby a decision of the club to refuse registration of a breeding establishment, or to attach special conditions to the registration of a breeding establishment, may be appealed to the District Court. The District Court can order that the establishment be registered, set conditions for registration or affirm the refusal.

Section 15 provides for removal of greyhound breeding establishments from the register. This can be done by applying for an order of the District Court. The section sets out the conditions which the District Court may impose. Reasons for removing an establishment from the register include where the operator has been convicted of an offence involving cruelty to animals, has been convicted of an offence under this Act, the Control of Dogs Act 1986 or the Protection of Animals Acts 1911 and 1965, or has breached a welfare notice. A person who contravenes an order under this section shall be guilty of an offence.

Section 16 makes it an offence to operate an unregistered greyhound breeding establishment except during the lead-in period of three months, or where an application for registration as a registered breeding establishment is being considered by the Irish Coursing Club.

Part 4, sections 17 to 27, inclusive, concerns enforcement and allows for the appointment of welfare officers and gives these officers powers of inspection and issuing welfare notices. Section 17 provides for the appointment of welfare officers by local authorities, Bord na gCon and the Irish Coursing Club to act as welfare officers under the Bill. This section also provides

[Deputy Shane McEntee.]

for the reappointment and termination of the appointment of such officers. It also allows that, in certain instances, only some of the powers of the officer may be exercised.

Section 18 sets out the functions of welfare officers, including the power at reasonable times to enter and inspect premises where the officer has reasonable grounds for believing that greyhounds are kept. A welfare officer cannot enter a dwelling without the consent of the occupier or, failing consent, without a warrant issued by the District Court. The welfare officer can inspect and take copies of records kept on the premises and can require the owner, operator or those employed in the establishment to answer relevant questions. Owners must allow welfare officers to inspect greyhounds and provide information about the greyhound's identity. The welfare officer can also take samples of feed or drink, search a vehicle, or container and remove equipment or documents. This section also provides that the welfare officer may be accompanied by a member of the Garda Síochána.

Section 19 deals with the issuing of a search warrant. The welfare officer or a member of the Garda Síochána may apply to the District Court for a warrant to carry out an inspection on a premises in which the welfare officer has reasonable grounds for believing that an offence has been committed under the Act or where entry has been refused.

Section 20 deals with the issuing of welfare notices. Welfare notices can be issued where a welfare officer is of the opinion that there is a contravention of the Act, or where a premises or vehicle pose, or are likely to pose, a threat to a greyhound's health or welfare. Welfare notices must state the grounds on which the officer forms the opinion. The notice may be served on persons in charge of either greyhounds themselves, establishments, premises where greyhounds are being traded, bred, trained, raced or coursed, or on persons in charge of vehicles transporting greyhounds. Such notices may require a wide range of actions in the interests of the welfare of greyhounds. Examples include requiring veterinary advice or treatment or the provision of food and drink of specified quantity at specified intervals. The notice can specify the numbers of greyhounds that may be kept in a particular accommodation. The notice can also require, upon the advice of a veterinarian, the cessation of breeding or that a greyhound be disposed of or destroyed in a specified manner. A person who does not comply within a reasonable time has committed an offence.

Section 21 deals with appeals against welfare notices. A person on whom a welfare notice has been served may appeal within seven days to the District Court. The judge may affirm or revoke the notice, or revoke the notice and order the person concerned to comply with certain directions.

Section 22 provides that where a welfare officer has inspected a premises or served a welfare notice, they must within seven days send a report of the inspection or a copy of the welfare notice to Bord na gCon, the Irish Coursing Club and the relevant local authority.

Section 23 allows, following veterinary examination, for the immediate veterinary treatment or humane destruction of a greyhound which is in pain, distress or an acute state of neglect. Obviously it is regrettable but necessary to provide for this, but I would hope it is a power that most welfare officers will never be called upon to implement. The cost of doing so can be recovered from the owner of the greyhound as a simple contract debt in court.

Section 24 makes it an offence to forge registration documentation or knowingly provide forged documentation or altered registration material with intent to defraud or deceive.

Section 25 concerns obstruction and makes it an offence to obstruct a garda or welfare officer, and to fail or refuse to comply with a requirement under section 18, which deals with the functions of a welfare officer, or section 19, which refers to the issuing of a search warrant.

Section 26 concerns penalties and proceedings. Fines not exceeding €5,000 can be applied on summary conviction for offences concerning notification of transfer of ownership under section 10(6), providing false or misleading information in an application for registration under section 12(17), failure to display registration under section 12(18), or failure to surrender a registration certificate where required to do so under section 15(7). This section also provides for fines not exceeding €5,000 and imprisonment up to six months on summary conviction for certain offences, including offences relating to welfare, breaching restrictions on breeding, operating an unregistered premises, failure to comply with a welfare notice, forgery or obstruction of welfare officers. Cases can be taken by Bord na gCon, the Irish Coursing Club, the local authority or An Garda Síochána. Fines shall be paid to the relevant body taking the case.

I had representations from those involved in enforcement, some of whom felt that all fines should belong to their organisation, even where the case was taken by another organisation. However, I felt this was inappropriate. The section, as drafted, will be the best way to ensure an active and robust approach to regulation.

Section 27 provides that a fixed payment notice fine can be issued for between €250 and €1,000, which falls due within 28 days. These can be issued where a welfare officer or a member of An Garda Síochána has reasonable grounds for believing there has been an offence concerning notification of transfer of ownership, provision of false or misleading information in an application for registration, a failure to display a registration certificate or failure to surrender a registration certificate where required to do so. There will not be a prosecution if payment is made with the 28 days.

Part 5, sections 28 and 29, contains miscellaneous provisions. Section 28 states the functions of the Irish Coursing Club may be performed by the secretary of the club. Section 29 states the Dog Breeding Establishments Act 2010 does not apply to premises registered as a “greyhound breeding establishment” under this Act.

I look forward to engagement on these provisions and I commend the Bill to the House.

**Senator Brian Ó Domhnaill:** I welcome the Minister of State to the House and the fact that he has dealt with this matter appropriately, on the basis that agreement was reached when the dog breeding establishments legislation was brought before the previous Oireachtas. It was agreed at the time that separate legislation would be brought forward to cover the greyhound industry. I pay tribute to many of my colleagues in the other House, who played a pivotal role at the time in removing the greyhound industry from the confines of the dog breeding establishments legislation. It is important that there be continuity in that regard. I pay tribute to the Minister of State on the work he has done in bringing this Bill before the Dáil, and the Seanad today.

If the greyhound industry were to be regulated under the Dog Breeding Establishments Act, it would be to the detriment of the industry. It is important that the Department of Agriculture, Food and the Marine acknowledge that. The former Minister, Deputy Brendan Smith, certainly did. There is now continuity in this area.

The Minister of State outlined the legislative changes proposed to be introduced in the Bill. Before I discuss them, I must acknowledge the importance of the greyhound industry to the Irish economy and sport. It is important that this be acknowledged in the House.

We all recognise the need for animal welfare. In this regard, everyone, whether on the green or practical side of the argument, was trying to achieve the same objective, namely, to have the welfare of animals protected by the State in law. We all buy into this and agree on it.

The greyhound industry is important to the country's economy, culture and tourism, and it is also important from a rural perspective. If one picks up an in-flight magazine when flying

[Senator Brian Ó Domhnaill.]

into Ireland, one will see therein an advertisement for an Irish greyhound stadium showing its services and potential. That is true recognition of the importance of the industry to the country.

Approximately 10,000 people are employed, either directly or indirectly, in the greyhound industry in Ireland. The wage bill is estimated to be approximately €207 million and the tax contribution from this employment is estimated at €21 million. Employment in the industry is not confined to one or two areas; it is spread throughout the country. I am pleased that the regional dispersion in terms of the availability of greyhound stadia has spread to Lifford in my constituency, where one of the 17 stadia is located. These 17 tracks are under the ownership of the greyhound industry in every county. Race meetings generate significant levels of expenditure and economic activity each week in rural towns, and greyhound owners make a significant contribution to economic activity through the purchase of various goods and services to maintain ownership. The industry generates activity and employment in rural areas which would not happen in the absence of this important element of indigenous industry.

Between 2002 and 2010 some 18,200 race meetings were held in Ireland, attended by 10.25 million people. This provides some background to the importance of the industry. The greyhound stadia in the country generate approximately €500,000 in revenue on an annual basis for each of the areas they serve. Given the current economic climate, the industry is vital together with returns from the bookmakers, which benefit from and provide a service to the greyhound industry.

The passage of the Dog Breeding Establishments Act in 2010 followed agreement reached at the highest level in government between the then Taoiseach and the then Minister for the Environment, Heritage and Local Government, John Gormley. While the Green Party had its agenda at the time, few of us bought into it. The proposal was impractical in terms of the potential the industry had for rural Ireland and to sport within Ireland. It was believed at the time that the Greyhound Industry Act 1958, although outdated, could be updated to reflect the animal welfare needs of the greyhound industry and could be dealt with as separate legislation from that being brought forward to regulate puppy farms and so on.

As the Minister of State has remarked, this legislation will address the need to register breeding establishments with the Irish Coursing Club under the supervision of local authorities. Minimum standards will be set for establishments and this will require adequate tracking mechanisms and record-keeping. The Minister of State has set this out and it is outlined in the legislation as well.

The Dog Breeding Establishments Act 2010 served to regulate dogs, puppy farms and so on. As the Minister of State mentioned, following consultation it was agreed that the best way to regulate the greyhound industry would be by stand-alone legislation. Several options were available to the current Minister and the previous Minister with regard to which way, if any, the industry should be regulated. The first option was to do nothing, in other words to leave the industry as it was or to cover it until the Dog Breeding Establishments Act was passed. This was not a realistic option given the political agreement reached between the Taoiseach, the Minister for Finance and the Minister for the Environment, Community and Local Government. The second option was to combine other legislation with the greyhound racing Act 2010 which, I understand, is being drafted. Will the Minister of State provide an update on that separate legislation? The third option was stand-alone legislation and this is what the Minister of State is bringing forward. This is the most sensible mechanism to deal with the matter. One benefit to the taxpayer is that this is cost-neutral.

We all subscribe to animal welfare and there is a need to protect animals in every sector of Irish agriculture. This applies not only in the greyhound industry, which provides so much of

the economic development and potential of the country, but elsewhere. The template adopted in this country in terms of greyhound racing, the stadia and the sport could be replicated in other countries. We should be proud of the achievements of the Irish greyhound industry, including the large number of people who walk dogs early in the morning and late in the evening. In many cases, the individuals in question volunteer to do this work. We should be proud of their achievements because they are sporting achievements. Whether located in the middle of Dublin, Cork or County Donegal, greyhound stadia are available to members of the public, many of whom are not aware of the work that is done to bring dogs to racing condition.

I subscribe to the objective of protecting greyhounds, as set out in the legislation. My party fully supports the Bill and looks forward to early enactment following its passage through the Seanad. I hope it will be passed at the earliest possible date to give effect to the commitment given in the 2010 Act. I am pleased the Minister of State is before the House and look forward to Committee Stage.

**Senator Michael Comiskey:** I am pleased to speak on the Welfare of Greyhounds Bill 2011 and welcome the Minister of State on this, the second or third occasion he has appeared before the House.

It is important that the greyhound industry, like all industries, is regulated. The enactment of this legislation will ensure greyhounds are protected from undesirable treatment. By way of background, the Bill was initiated on 13 December 2010 by the previous Minister for Agriculture, Fisheries and Food, Deputy Brendan Smith. The legislation before us has been set the same objective as the 2010 Bill, namely, to enhance the welfare of greyhounds, particularly through the regulation of greyhound breeding and greyhound breeding establishments. Under the Bill, which was discussed in the Dáil on 13 June, the Irish Coursing Club is required to establish a register of greyhound breeding establishments. A series of public consultations took place at the drafting stages and the then Department of Agriculture, Fisheries and Food consulted the Irish Greyhound Board, Irish Coursing Club and representatives of the welfare sector on the proposed legislation.

The new Bill contains some minor changes from the 2010 Act. One of the main changes is the introduction of a provision requiring the Irish Greyhound Board to publish and take representations on any proposed amendments to the code of practice for the welfare of greyhounds in the same way as it must publish and take representations on a new code of practice. In a second significant change, section 26 provides that penalties for offences will be class A fines rather than fines not exceeding €5,000. The Fines Act specifies a table of fines to be used where the Oireachtas imposes monetary penalties to allow for more efficient revision of fines to reflect changes in the value of money over time.

The Bill complements the Dog Breeding Establishments Act 2010. In 2010, at a meeting of the then Joint Committee on Agriculture, Fisheries and Food, Bord na gCon provided a short overview of the greyhound industry. I will recap on some of the main points to give Senators a clear view of the economic value of the greyhound industry. There are 17 greyhound stadia in the Republic, of which nine are directly owned by Bord na gCon and eight privately owned. Approximately 11,000 people derive employment, both direct and indirect, from the greyhound industry which is responsible for economic turnover valued at €500 million. In 2010, the industry received €11.8 million via the horse and greyhound fund and during that period it returned €5.5 million to the Government in direct and indirect taxes. It must be recognised that the greyhound industry has been extremely successful in helping various clubs, social groups, schools and good causes to raise money through the use of its stadia. There are multiple tourism benefits relating to the industry which attracts many visitors to Ireland. We hear of people who

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go on outings and many different parties go for a “night at the dogs”, where they can enjoy good food in the stadia. That is excellent.

I shall now address the content of the Bill, which comes in five parts. The first part concerns the registration of greyhounds. The second deals with the general welfare of greyhounds and states that Bord na gCon will be responsible for the establishment of a code of practice under section 6 of the Bill. This will be for the purpose of providing practical guidance relating to the welfare of greyhounds and related matters.

Section 6(5) states:

Before establishing or adopting or amending a code of practice the Board shall—

(a) publish on the internet a draft of the proposed code or amendment and shall give persons one month from the date of the publication to make written representation to the Board.

Specific welfare standards are covered in section 7 of the Bill and these are important to ensure the general welfare of greyhounds. For example, this section sets out:

(1) A person who keeps, trades in, transports, breeds, rears, trains, races or courses a greyhound shall ensure that—

(a) the greyhound is kept at all times in accommodation that is suitable as respects construction, size of quarters, number of occupants, exercise facilities, temperature, lighting, ventilation and cleanliness.

The section also sets out that the greyhound should have suitable diet, adequate exercise and that appropriate measures should be in place for the greyhound in the case of emergency.

The scope of the Bill also covers regulations regarding welfare and related matters. Section 8 of the Bill provides that: “The Minister may, after consultation with the Board and the Club, by regulations, make provision for the protection and enhancement of the health, welfare and the care of greyhounds”. The scope of the proposed additional provision can cover food, materials utilised for the housing of greyhounds and supervision and maintenance of the premises where greyhounds are housed.

Importantly, section 9 caters for the making of regulations regarding the identification and traceability of the greyhound, by means of a tattoo, document or electronic means. It is important to have an effective and efficient tracing mechanism for all animals in the industry. This is in no way different to the tagging of sheep or cattle in the agricultural industry.

I move to Part 3 which covers greyhound breeding. There are strict restrictions in this area. It is an offence to allow a female greyhound to give birth more than six times during her lifetime unless section 11(c) applies, whereby a veterinary practitioner specifies that the pregnancy and birth do not present a risk to the health or welfare of the female. A certificate to this effect must be lodged at the Irish Coursing Club.

Section 12 provides for the establishment of a register of greyhound breeding establishments and states, “Where a person proposes to operate a greyhound breeding establishment, he or she shall, in accordance with this section, apply to the Club to have the premises at which it is proposed to operate the greyhound breeding establishment registered in the register”.

The nature of the legislation is retrospective, as section 12(3) stipulates:

A person who, immediately before the commencement of this section, was operating a greyhound breeding establishment shall, if he or she wishes to continue operating the estab-

ishment after such commencement, apply not later than 3 months after such commencement, to the Club to have the establishment registered in the register.

All greyhound breeding establishments should be treated in the same manner.

The Irish Coursing Club may refuse to register premises under section 12 of the Bill. Grounds for refusal may include the commission by an applicant of an offence under the Act, an offence including cruelty to an animal or, for example, the contravention by the applicant of the Protection of Animals Acts 1911 and 1965. It is noteworthy that the applicant must have an opportunity to submit a representation to the club before a decision to refuse to register a premises for greyhound breeding establishment can be made.

Section 14 states that a refusal to grant a registration for premises can be appealed to the District Court.

Part 4 of the Bill deals with enforcement. Under section 17, local authorities will have the power to appoint as many officers as they think fit to be welfare officers. Section 18 states that a welfare officer or a member of the Garda Síochána may inspect premises and require that the relevant books, records or other documents be made available. Furthermore, the section stipulates that a welfare officer or a member of the Garda Síochána may require a person in control of a greyhound in a public place to permit that animal to be examined by an officer or a veterinary practitioner.

The Bill is well drafted and it will enhance and protect the greyhound industry. I call on colleagues to support it.

**Senator Rónán Mullen:** I welcome the Minister of State. Tá fáilte roimhe. Tá an-áthas orm go bhfuil an Bille seo os ár gcomhair. Thacaigh mé leis an Bille eile, a bhí an Comhaontas Glas freagrach as, anuraidh. I ndáiríre, tá an-creidiúint le tabhairt dóibh as ucht an cheist seo a ardú. Tá sé tábhachtach go bhfuil an Bille os ár gcomhair inniu.

I supported what became the Dog Breeding Establishments Act 2010 when it was the subject of a passionate debate in the previous Seanad. I recall that a number of Fine Gael Senators at the time were extremely concerned with regard to certain aspects of that legislation. I am still of the view that great credit is due to the Green Party which was then in government for the initiative it showed in introducing the legislation to which I refer. To some degree, the Green Party, when it brought forward that legislation, ran the gauntlet of people who live in rural areas. I am very proud of the fact that I originally come from such an area. I have always been of the opinion that animal welfare should never take second place. I grew up on a farm and we always tried to operate to the highest standards. I am glad Ireland has changed so much over the years. In the past it was a place where animals were often not respected and were cruelly treated by people who were otherwise very compassionate and decent. For many years there was an ignorance with regard to the dignity of all of creation and the proper respect that is due in the context of the welfare of animals. This is not a matter of animal rights. I do not have a great sympathy with the latter term. I am of the view that animals have dignity. The problem with regard to cruelty to animals is not so much that their rights are being violated, rather it is the effect treating creation in such a wantonly cruel way has on human beings.

I am satisfied that this Bill will fit well into the body of legislation relating to this area that is already in existence. There is no question but that further legislation will be required in respect of the protection of general animal welfare. I look forward to such legislation coming before the House in the near future.

In contrast to the troubling accounts regarding unregulated and so-called “puppy farms” which surfaced during the debate on what became the Dog Breeding Establishments Act 2010,

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the position that obtains in respect of greyhound breeding is obviously markedly different. Greyhound breeders strive to breed high-quality greyhounds to win races. In the context of greyhound breeding, therefore, quality rather than quantity is of paramount importance. It is obvious that we are starting from a different place in respect of this matter.

It has been stated that the greyhound industry is extremely important to this county and that, directly and indirectly, it is responsible for sustaining 11,000 full and part-time jobs. The fact that these jobs are mainly located in rural communities makes the industry all the more important as far as I am concerned. The industry provides an estimated €500 million to local economies through the tracks that are spread throughout the country. The greyhound breeding industry is also successful and many greyhounds currently running in races in the UK are Irish bred. We have begun to emulate the success of the Irish bloodstock industry by ensuring that the country has become identified as a centre of excellence for the breeding of greyhounds. Bord na gCon is to be congratulated on the work it has done in the context of revitalising what was a flagging industry. At a time when greyhound tracks in the UK are being closed, life has been injected into our industry and attendances are on the rise at redeveloped tracks throughout the country. As a result of successful advertising and rebranding, an evening at the dogs is now seen as an enjoyable way to socialise and entertain friends.

The Dog Breeding Establishments Act 2010, to which I referred earlier, seeks to ensure the observance of proper standards of animal welfare in dog breeding establishments. When the House debated that legislation, the point was made that it would be more appropriate to introduce a separate Bill to regulate the position with regard to animal welfare within the greyhound industry. It was correctly acknowledged that the greyhound industry already has a system of self-regulation in place, which included certain provisions on welfare. The separate legislation was introduced in order to provide a regime for greyhound welfare; whereas the objective is similar to that of previous legislation, the approach taken is, if anything, more rigorous and strict in its application of oversight and controls on the breeding of greyhounds, which is to be welcomed. The different bodies involved have agreed with the need for separate legislation to regulate all aspects of welfare throughout the greyhound industry, and to therefore protect this country's reputation in respect of the care of greyhounds. It is not just a matter of looking out for animal welfare, as important as that is, but it is also important to look out for Ireland's reputation. I congratulate the Minister of State and the previous Administration for the consultation which led to this legislation.

I am strongly of the opinion that it was both right and proper to distinguish this industry from so-called puppy farming, and that is why I welcome this separate legislation. The scrutiny required of greyhound breeders is of a high level, and this is welcomed by the vast majority of reputable breeders across the country who are committed to breeding high-quality racing greyhounds. This has always been an industry which has been committed to quality over quantity. As I mentioned, the industry already has a system of self-regulation in place that can be readily adapted for welfare purposes, and the Bill uses this as its starting point.

The welfare requirements specified in the Bill on animal keepers to safeguard animals in their care are in addition to the general provisions relating to cruelty in the Protection of Animals Act 1911 and the amending legislation of 1965. Greyhounds not registered in the stud book cannot be covered by the scope of the Bill but will continue to be covered by general animal welfare legislation, which is important. The provisions of the Bill apply to all greyhounds in the stud book but there is great merit in establishing a register of greyhound breeding establishments. These are premises at which not fewer than four greyhound bitches are kept, each of which is more than 15 months old and has been or is being used for breeding. The

scope of the Bill extends to all greyhounds in the industry and not only those found on a premises registered as a greyhound breeding establishment.

The Dog Breeding Establishments Act 2010 provided for what before now was an unregulated industry, with no existing system relating either to the registration of individual dogs for stud book purposes or the registration of premises on which they are kept. The regulation of this industry envisages a comprehensive scrutiny regime and grants a wide range of powers to welfare officers, allowing them to specify various items in welfare notices, which is also welcome. The provisions will not present any difficulty to the vast majority of individuals who take due cognisance of welfare requirements, have proper premises and who operate their business in co-operation with local veterinary practice. A welcome aspect of this Bill is that a greyhound bitch will not be allowed to breed until she is 15 months, compared with a stipulation of six months in the Dog Breeding Establishments Act 2010.

A limit will also be placed on the number of litters a bitch can produce, which reflects the need for quality over quantity which I mentioned earlier. Last year we had similar conversations about these kinds of concepts, with some Senators warning that we were in danger of legislating our way back into the bedroom. It is important that this kind of detail be dealt with for the sake of animal welfare.

I will discuss some of the real economic and employment benefits from the industry. In 2009, Bord na gCon — a semi-State body responsible for the control and development of the industry in Ireland — received €13.6 million in Government subsidies and in 2010 it received €11 million. I believe it is now seeking €15 million to develop a business venture in China, where it intends to build racing stadia and infrastructure, which could be a very valuable new opportunity to expand the employment provided by the industry. I call on the Minister to fully commit to any necessary supports for this vital source of employment in rural areas. As the Minister of State is aware, the industry is located at the heart of rural communities and provides employment for families and a wide variety of other individuals.

It is important that we continue to assess and champion the work being done. There are exciting possibilities for the greyhound industry, and I have mentioned the possibility of exporting animals to China and elsewhere. We should research this fully and support such initiatives. As I noted in a previous debate on the closure of Army barracks, balanced regional development should be a key goal of this Government as the country weathers the recession. We should not lose sight of the enormous damage which can be inflicted upon rural communities as a result of the loss of jobs not easily replaced. As a small investment by the Government can often safeguard and secure existing jobs in the rural and regional economy, that investment ought to be made. It is a case of a stitch in time saves nine.

Government support of Bord na gCon provides the basis for the operation of the industry and what the Government and society get in return is the provision of 10,000 jobs, mainly in rural areas. If these jobs were lost, they would be gone forever and the workers affected would have to leave rural areas to find alternative employment, in the process destroying communities and making a mockery of all our attempts at balanced regional development. Ireland is regarded as a world class player in dog breeding and there must be significant potential to exploit this reputation further. It can become an even more significant export industry than has been the case and the Irish industry model can be transferred to other countries, as I noted. This aspect is being investigated and developed. The Government continuously repeats the mantra of export-led recovery; it should support that process.

I welcome the Bill and the provisions it contains. I commend the previous Minister and the Minister of State for the work being done and I am delighted the legislation has come this far. Let us highlight the importance of the greyhound industry and the people involved for their

[Senator Rónán Mullen.]

work and efforts. In ensuring the highest standards in welfare of animals we will safeguard the future of the industry. The vast majority of those involved in it would not be able to continue to operate if the welfare of animals was not the first priority in rearing, training and racing greyhounds. This is a win-win for animal welfare, a noble aim in its own right, as well as for our reputation abroad in ensuring the industry continues to thrive.

**Senator Denis Landy:** I welcome the Minister of State. I do not intend to go back over the statistics so eloquently mentioned by other Members. It is important that this legislation has been published, as opposed to its measures being lumped in with others included in the previous legislation. There are two separate issues: the greyhound industry and the welfare of dogs are different matters. I commend the consultation with various agencies, including the Irish Coursing Club, the Irish Greyhound Board, Veterinary Ireland, the Dog Trust and the Association of City and County Managers. I have said to every Minister that where an issue is relevant to local authorities and their members, their organisation should be consulted. The executives of the organisations mentioned may be consulted but the elected members of county councils are not. Perhaps it is not yet too late to seek their input.

This is good legislation which I commend to the House. However, it is not perfect. There are a couple of issues on which I would like the Minister of State to comment.

Senator Rónán Mullen spoke about the greyhound industry and its importance to rural Ireland. It is of great importance, as I will highlight through a little story. Last Sunday week I was at a point to point meeting in Kilsheelan, outside Clonmel. The first man I met was a retired farmer who had come back from coursing a dog in Thurles and was waiting to see a horse trained by Ted Walsh. That horse won on the day at odds of 4/6. The next person I met was an unemployed young man. As we were going out the gate and he got into his car, he said he was heading home to get a dog ready to run in Clonmel that night. That takes in both ends of the generational divide. The two men were sustained in their lives by their involvement in the dog industry in one way or another. That is more important than any economic benefit in the current economic climate, when people are on their knees financially, because there is something to cling on to. It is a special community. I am lucky enough to live in a part of the country that is home to dogs, Carrick-on-Suir. The famous saying about Carrick-on-Suir is that it is known for a dog or a man. My father bred greyhounds and I have been involved in many syndicates during the years, in which I have had very little luck. However, I have an innate knowledge of and interest in the industry.

What is being introduced is very good and has been well thought out. The provisions dealing with the amounts of litters, the age of bitches and the use of the stud book, as well as stipulating that a breeding premises should have four or more bitches, are very important. Somebody mentioned seeing people walking one or two dogs in the morning and evening; that is the lifeblood of many involved in the industry. In my home town of Carrick-on-Suir there is an unemployment rate of 18% and practically every second house has a dog or two, with a bitch breeding or yelping down a litter for a neighbour. It is extremely important, therefore, not to be heavy-handed and inflict registration fees on those who cannot afford it. A happy balance has been struck in the legislation.

I have a couple of questions, the first of which relates to section 15 which deals with the removal of greyhound breeding establishments from the register. It deals with people who have, in one way or another, breached the terms of legislation. As I read it, there is no provision in the Bill to remove the offenders permanently from the industry, which is extremely important. It is important to safeguard the industry and its reputation while sending a strong signal to the very small minority of breeders who do not perform their functions properly. It

will stop them in their tracks. We come across such people in all walks of life who just do not obey the law. We often see it in horse-related industries in which some horses can endure misery. In the horse racing industry there are provisions to ban people from engaging in further activity within the industry. I suggest the Minister of State consider taking similar action in this section.

Section 17 indicates that local authorities may appoint welfare officers. In the main, local authorities do not have the wherewithal or resources to employ extra staff because of the requirement to keep staff numbers as they are. Under the Control of Dogs Act, they employ dog wardens. I ask the Minister of State to extend the role of the dog warden in order that he or she would act as the welfare officer for the greyhound industry within the geographical area of the local authority concerned. That would be a good and sensible piece of work. The Minister of State responded to this issue in the Lower House in which he made the point that the amount of work required to be done by the local authority would be minimal as the officers of the Greyhound Board and the Irish Coursing Club already dealt with the matter.

Section 17 also indicates that the steward of the Irish Coursing Club may appoint extra officers. This, again, highlights a difficulty as all organisations are trying to cut back on staff numbers. I suggest we use existing officers of the Irish Coursing Club. Their job is to mark new litters and have registration books started and their role could be extended to include the inspectorate functions within the remit of this legislation. That would be a sensible move and easily done. It would ensure the legislation, when enacted, would not lead to the Irish Coursing Club complaining that it did not have enough money to employ extra officers. We must be careful in this regard. We all want to see this good legislation being implemented, although it must be tweaked a little to introduce an element of common sense to ensure it will work.

**Senator Averil Power:** I welcome the Minister of State and join my Fianna Fáil colleagues in supporting the Bill. Greyhound racing is a fine sport which, as Senator Ó Domhnaill mentioned, makes a significant contribution to the economy. It is also a great night out at a reasonable cost, which is an important point to remember in the current economic environment.

As has been pointed out in the debate so far, the industry is generally pretty well regulated and, on the whole, has a good record. This legislation, by building and improving on the self-regulation that has existed, will help to safeguard the reputation of the Irish greyhound industry at home and abroad while ensuring the animals are properly treated. I support the Bill.

I would like to take the opportunity, while the Minister of State is here, to draw the attention of the House to several other animal welfare issues. First, I would like to highlight the delay of the Government in enforcing the new legislation to deal with puppy farms, the Dog Breeding Establishments Act 2010, which was brought through both Houses some time ago but has not yet been signed into law by the Minister, Deputy Hogan. I understand  
*5 o'clock* TV3 is broadcasting a special report on puppy farms tonight — Members will have seen the advertisements — and I commend TV3 for keeping a spotlight on the issue. There is no doubt that the majority of people who breed dogs see to their welfare, look after them properly and would not dream of doing them any harm, but unfortunately there are also people who could not care less about the animals that are in their custody, not only neglecting their basic needs but sometimes inflicting incredible cruelty on the defenceless animals they are supposed to care for.

There are reports on the ISPCA website, which I read earlier, which highlight cogently and emotionally the reality of unregulated puppy farms. An ISPCA worker reflects, based on his own experience, “The heartbreak of seeing such [sociable] animals as dogs locked in confined cages/pens, never let out to sit in the sun, never exercised, withering emotionally till they [lose] all interest in living is too much to accept.” He speaks of seeing puppies, at puppy farms that

[Senator Averil Power.]

he has visited over the years with the ISPCA, with flea-infested coats, with backsides encased in excrement, trying to suckle from mothers whose teats are covered in filth. The worst part of his account is the description of the fear that such animals display. He says that because they have never been socialised or handled gently, they cower and freeze when lifted, expecting the worst. Some never recover, as the Minister of State will be aware, from the time they spend in puppy farms.

I adopted a dog from a rescue centre five years ago. I do not know what its history is — one does not know, when one gets a dog from a rescue centre, what its history is — but when I brought him home he was petrified with fear and would cower if anyone went anywhere near him. Now, although he is generally very happy, he still freaks out and gets scared by the slightest noise. No matter how much one looks after and trains a rehomed dog or reassures it there is nothing to be afraid of, many animals will live with the scars of their experience for ever.

The legislation was passed in the House a long time ago, and the delays in commencing the Act are inexcusable. I understand that the thinking of the Government is that it wanted to wait so that it could be introduced with the Bill we are discussing today, but that is illogical and unnecessary. As we have noted, the greyhound industry in general has good standards and this Bill merely supplements those, but puppy farming in general is unregulated, and I do not see why we could not have commenced the Dog Breeding Establishments Act much earlier. I urge the Minister to ensure it is implemented straight away.

I would also like to take the opportunity to raise the need for the promised animal health and welfare Bill, which I know is on the Government's agenda as it is mentioned in the programme for Government and the legislative programme. It needs to be introduced as soon as possible. Work on this Bill has been ongoing in the Department for years. The last Government started the process of updating legislation that is 100 years old. Under the Protection of Animals Act 1911 — which was amended in part in 1965, but much of it is 100 years old — the maximum fine for somebody who mistreats a horse, a dog or any other animal to an intolerable extent is £25. Obviously, that is not an incentive to behave responsibly. We need to introduce modern legislation with appropriate penalties.

In addition to legislation, we need greater public information on how to treat animals properly. Sometimes one meets people who think they are doing the right thing with their animals. Much mistreatment is by people who genuinely care for their dogs but fall prey to myths about what is good for them. People say it is cruel not to allow a female dog to have at least one litter, but do not think about where the pups will end up — in many cases they will have to be put down, and if not, they will go on to have other unwanted puppies. The scandal of the number of puppies that are put down here is something we have never really faced. There are groups such as Spay Ireland which do incredible work and have managed in recent years to bring down the number of healthy dogs being put down from 30,000 to 6,000. They have made incredible progress, but there are still 6,000 dogs in good health being put down every year.

We need to make potential dog owners more aware of their responsibilities. The Government, when considering the animal health and welfare Bill, should look to the case of Switzerland, which, as well as having some of the best animal welfare legislation in the world, has detailed codes for looking after different types of animal and to guide people who are making a decisions about whether to bring home a dog, a cat or another animal. From my experience, dogs are extremely expensive, which many people are not aware of when they take them home. It is not just the cost of food but the cost of veterinary care and accommodation for the dog if one wants to go on holidays, for instance. People need to be fully aware of that and prepared for the costs involved before they bring an animal home.

The Government must be prepared to set aside money for every pet to be microchipped. I know this Bill deals with tattooing of animals in the greyhound industry, and the Dog Breeding Establishments Act will ensure that dogs are microchipped in official breeding establishments. However, we need to microchip every dog. The cost is minuscule compared to the cost of keeping a dog properly. This should be required for every dog so that it can be found if it goes astray. Dogs can be registered online at *findo.ie*; if a dog is found, a vet can upload the microchip number so that the dog can be reclaimed straight away. However, microchipping is also important in preventing cruelty. If an animal is found abandoned at the side of the road or mistreated, a vet can tell straight away whom it is registered to.

The lack of funding for the animal welfare charities here should be addressed, although I appreciate that the Government does not have spare cash sitting around. We need to examine the licence fee and consider that most people who care for animals would be happy to pay a bit more knowing that money was being set aside for ISPCA and for dog wardens to look after animals that have been cast aside.

I fully support the Bill before the House. I urge the Minister of State to ensure the Dog Breeding Establishments Act is commenced by asking the Minister, Deputy Hogan, to sign the necessary orders to allow its enforcement. I also ask the Government to introduce more general animal health and welfare legislation.

**Senator Paul Bradford:** How much time do I have?

**Acting Chairman (Senator Terry Leyden):** Eight minutes.

**Senator Paul Bradford:** Are there more colleagues who wish to speak?

**Acting Chairman (Senator Terry Leyden):** The Minister will be called to reply at 5.20 p.m.

**Senator Paul Bradford:** I will be aware of that and will try to facilitate my colleagues.

**Acting Chairman (Senator Terry Leyden):** We will try to accommodate all the Members.

**Senator Paul Bradford:** I welcome the Minister of State, who I know has a great interest in this area. This Bill will have gone through the House——

**Acting Chairman (Senator Terry Leyden):** Is the Senator sharing time?

**Senator Paul Bradford:** I wish to share my time with Senator Pat O'Neill.

This Bill will be passed in the House, the Dog Breeding Establishment Bill was passed but is not yet in action, and the animal health and Welfare Bill is yet to be introduced to the House. When those three Bills are passed there will be a significant body of legislation to protect animals and see to their welfare. I will strongly support it. If we had the same level of support for elderly people and children we would have a better society.

I recall very strenuous debate in this House on the Dog Breeding Establishments Bill. At a time when the country was going down the tubes financially, economically and politically 18 months ago, it was amusing that one of the biggest difficulties in the Government was the inclusion of greyhounds in the Bill. There was a rumour that one Deputy or another was going to bring down the Government over the greyhound issue but eventually the former Minister, Mr. John Gormley, appeared to back down and it was decided to separate greyhounds from the broader scheme of the legislation. It was a wise move because most of what the Government was trying to put in place under the Dog Breeding Establishments Bill already applied to the greyhound industry. The people who monitor, control and manage the greyhound industry, to

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the maximum degree possible, ensure the highest standards of care and welfare for their animals.

I listened with interest to my colleagues on this debate. There has been a great depth of knowledge among all speakers who have contributed. We need to constantly assert that the greyhound industry is not just a sport or pastime but a strong generator of economic activity in rural and urban Ireland. Many people in small towns have greyhounds or are involved in syndicates. Many people benefit from the industry and a huge number of people contribute to it.

The Minister of State will be aware that last Saturday night in Cork was the final of the Laurels. A huge crowd attended, as they do every year. Set piece occasions when thousands of people come together to watch a greyhound race illustrate the strength of the industry. The future funding of the industry and the horse and greyhound fund is up for debate. We must continue to try to financially support a sport that pays for itself time and again.

The Minister of State is getting the balance right in this Bill. I acknowledge the hard work he has done on liaising with various stakeholders. A number of concerns were related to us by constituents in regard to the inspection process and the limits on breeding. I trust we will tease those issues out on Committee Stage. The current inspection levels in the industry are substantial and I look forward to hearing on Committee Stage from the Minister of State about the additional measures planned, and about which people are concerned.

Senator Power made some valid points about animal welfare. I agree with what she said about the dog licence fee. I may be straying outside the Bill. Sadly, too many people seem to be unaware or do not care about the cost of keeping animals. We saw horrific cases last winter where there were unwanted horses. In conjunction with the Department of the Environment, Community and Local Government and local authorities, we must try to put in place and fund a scheme whereby local authorities will be in a position to respond to people who have unwanted dogs, horses or other animals. Animals should be removed from the people who can no longer care for them. It will be expensive but it is something that Minister of State might take on board given the horror stories last winter. We have a cold economic climate as well as cold weather. People find it difficult to come up with the money to look after animals at the proper level, something which needs to be attended to. I look forward to contributing to the debate on Committee Stage.

The balance of the Bill is as correct as the Minister of State can make it. When we were on the other side of the House we wanted to separate the greyhound industry from broader animal welfare issues and that has been done. I look forward to the Bill coming into law and the Dog Breeding Establishments Bill being implemented. Puppy farms continue to be a scandal, as they were 12 months or two years ago.

**Senator Pat O'Neill:** I welcome the Minister of State to the House and the Bill. As my colleagues and the Minister of State have mentioned, the greyhound industry has contributed €500 million to the economy. It is also worth noting that greyhound stadia offer facilities to schools, clubs and social causes for fundraising activities, which has helped to generate €7 million for such organisations. The Welfare of Greyhounds Bill provides for the welfare of greyhounds as well as the regulation of breeding establishments. The Bill addresses the concerns of the Irish Coursing Club and Bord na gCon about the Dog Breeding Establishments Act 2010 by creating legislation which is distinctly related to the greyhound industry.

The Welfare of Greyhounds Bill is not about the Government imposing rules on a successful industry. It is simply recognising the existing levels of regulation and control currently employed in the industry and ensuring that standards are met. As Mr. Barry Coleman, welfare

officer of the Irish Greyhound board said, 99% of owners are top quality people who care about their animals. They are often rural people and sometimes care more about their animals than about themselves

In section 7 of the second Part of the Bill the welfare standards for greyhounds are set out. This section states that greyhounds must have decent and clean living quarters, suitable food and bedding and be adequately exercised. For most owners these things are given in the care of their dogs. The Welfare of Greyhounds Bill strives to ensure that those who mistreat animals and damage the reputation of the Irish greyhound industry by mistreating animals are made accountable. I welcome this measure.

In creating a better environment for dogs we can boost our reputation for quality internationally by ensuring that high standards are met in the care of Irish greyhounds. The establishment of welfare officers, which are drawn from local authorities' dog and veterinary services, Bord na gCon and the Irish Coursing Club, is a welcome move. Such people have deep knowledge of greyhounds and are the best people to ensure that standards of care are met. Protection of this valuable industry and of the animals is of paramount importance and I join my colleagues in calling on members of the Seanad to support the Bill.

**Senator David Cullinane:** I am last out of the traps. I welcome the Minister of State to the House and the Bill. I would welcome any Bill which enhances and protects animal welfare.

I join other speakers in acknowledging the role of the industry in the economy and in cultural life, as Senator Ó Domhnaill mentioned. My city, Waterford, has an excellent greyhound track. Many people, as previous Senators have done, give up their time and love the sport in which they are involved. It is part of life for them. We are dealing with a small minority of people who do not treat dogs in the correct manner.

The vast majority of trainers, owners and breeders care for their dogs, there is no question about that, but unfortunately a minority see their dogs as little more than a commodity to be expended once their breeding or racing lives have come to an end. This Bill is welcome as it seeks to deal with the sharp end of the greyhound business. Often greyhound bitches are bred time and again in the search for a champion. I welcome the fact that contained within the Bill is a clause which means that greyhounds can only produce six litters or, in exceptional circumstances where a vet certifies that pregnancy and birth do not represent a risk to the health and welfare of the bitch, there can be two additional litters.

I also welcome the fact that greyhounds cannot be bred until the age of 15 months. The Bill also puts in place stronger checks for kennels to provide suitable accommodation, food, drink, bedding material, exercise, inspections, medical welfare and protection in cases of emergency. I retain some concerns, especially around the issue of retiring greyhounds. The issue was debated in the Dáil.

The average greyhound comes into top speed between the ages of two and four. However, as we know, many live until they are 14 years of age and given their short racing life we need to protect the welfare of retired greyhounds. There are some greyhound refuges in Ireland but more needs to be done to ensure greyhounds are looked after. I support Senator Landy's call to ensure local authorities are adequately equipped and resourced to have enough welfare officers to carry out inspections and ensure proper enforcement of this Bill, if passed. He also made a reasonable proposal regarding dog wardens. Will the Minister consider giving extra resources to those areas where there is a proliferation of breeding, training and ownership of greyhounds?

Other related legislation will enhance animal welfare. There is, however, a need to see progress on the related dog breeding establishment legislation to ensure similar levels of welfare

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and care are granted not just to greyhounds but to all dogs. I look forward to seeing progress on the animal health and welfare Bill which will update the existing 1911 Act to the standards expected in this century.

If the Welfare of Greyhounds Bill is enacted, those in the industry have nothing to fear but everything to gain. If animal and greyhound welfare is at the heart of the industry, the majority of breeders and owners can only benefit. I commend the Bill.

**Senator Maurice Cummins:** I compliment the Minister of State on the consultation process in which he engaged before introducing this Bill. It is a far cry from the former Minister who introduced legislation in this House while completely unaware of other Acts that dealt with dog breeding. I also compliment Members on their informed debate on this subject.

On a separate issue, children under 18 cannot buy a lottery ticket or enter a bookies but they still can place bets at the Tote at dog tracks. While I am not a killjoy — I enjoy a bet myself — children being allowed to place a bet at a dog track will have to be addressed in forthcoming betting legislation.

**Minister of State at the Department of Agriculture, Food and the Marine (Deputy Shane McEntee):** No legislation is perfect when first introduced and can be improved during debates. This legislation is centred on greyhound welfare and was introduced after consultation with all relevant parties.

Senator Cullinane spoke about the previous Government introducing greyhound welfare legislation. I always believed it marked the beginning of the end of that Government. It has been easy for me to introduce this legislation because there was consultation with interested and relevant parties. The greyhound industry is very regulated and is happy with this legislation. It has nothing to fear from this Bill which will actually strengthen it.

The greyhound industry is a fantastic business to be in. A night at the dogs is exciting with people coming to our tracks from all over the world. The upgrading of many of our smaller dog tracks is necessary to ensure they will be able to cater for many users such as hen and stag parties, although I should not refer to stags here. This legislation will ensure all greyhound owners are responsible for the dog until the end, a measure that will also ensure the quality of our greyhound stock.

I agree with Senators on the point about local authorities ensuring inspections. Regarding the calls for progress in other related legislation, there was a desire to get this Bill enacted first. I am pleased with the legislation's progress. It is flying through, like the greyhound Razzle Dazzle.

**Senator Averil Power:** In fairness this legislation was first introduced in July 2010.

**Deputy Shane McEntee:** It is a slow process — I know I have let Senator Power down on another matter as the person involved has gone away for three weeks — but at least it is being done right.

Senator Mullen referred to the Green Party legislation in this area. If it had listened to people rather than ramming its legislation down people's throats, it would have a representative here today. It started with a ban on stag hunting in my county. While the Ward Union still exists, the Green Party does not. I was disappointed the Green Party was given support from rural Fianna Fáil Deputies to introduce such legislation. The time is coming shortly when the Ward Union will be back under the legislation introduced by Michael D. Higgins in 1996. Not consulting people beforehand leads to attacks on rural life. This Bill was based on consultation.

This was an informed and constructive debate. The contributions have been very useful and I thank those Senators who took the time to examine this issue in advance or who have engaged with it today.

The greyhound industry makes a significant contribution to the economy, providing much employment, especially in rural areas where alternative employment may not be readily available. Greyhound racing and coursing are popular throughout the country and bring together both rural and urban enthusiasts. The greyhound breeding industry is successful in export earnings, with approximately 75% of the greyhounds now racing in the UK being Irish bred. Greyhound racing also attracts a large number of visitors to Ireland from overseas and in this regard a night at the dogs provides excellent entertainment.

This Bill arose from the debates surrounding the Dog Breeding Establishments Act 2010. Then it was emphasised that the greyhound industry already had a system of self-regulation and controls in operation which should be taken into consideration. It was concluded that separate welfare legislation was more appropriate for the greyhound industry and that such legislation should take cognisance of the well-established procedures which the Irish Coursing Club and Bord na gCon had in place.

Members are conscious of the public's concerns about animal welfare, particularly the welfare of dogs. In the case of greyhounds there are fewer problems involved with welfare than in the business known as puppy farming.

In drawing up the Welfare of Greyhound Bill 2011, my Department engaged with the various organisations concerned with the welfare of dogs. I believe this Bill addresses all the relevant issues raised by them.

I acknowledge the constructive manner in which Bord na gCon and the Irish Coursing Club engaged with the development of this legislation. In their view, this legislation provides an appropriate framework in which to regulate welfare in the greyhound industry. They acknowledge that legislation which enhances greyhound welfare will ultimately protect and enhance this country's reputation in regard to the care of greyhounds.

I also thank the voluntary bodies and animal welfare groups concerned with dogs that have engaged in a positive manner and have indicated this legislation provides for the implementation of a good standard of welfare for greyhounds. Having taken on board all the various submissions, I am confident we have struck an adequate balance, thereby accommodating various points of view.

I emphasise again that the restriction this Bill places on the number of times greyhound bitches can be bred, as well as the prohibition on breeding under 15 months, are very significant factors in ensuring proper greyhound welfare. In the context of the scope of this Bill, greyhounds are defined as all greyhounds entered in the Irish greyhound stud book which is maintained by the Irish Coursing Club. All such greyhounds will be covered by the welfare provisions of this Bill throughout their lives, irrespective of the premises in which they are kept.

The welfare requirements specified in this Bill on greyhound keepers to safeguard greyhounds in their care are in addition to the general provisions relating to cruelty in the Protection of Animals Acts 1911 and 1965. Greyhounds which are not registered in the studbook cannot be covered by the scope of this Bill but will continue to be covered by general animal welfare legislation as well as the Dog Breeding Establishments Act 2010, where relevant. This Bill grants a wide range of powers to welfare officers—

**Acting Chairman (Senator Terry Leyden):** I apologise for interrupting the Minister of State but I have to put the question.

**Deputy Shane McEntee:** I again thank the House for the various contributions. I hope that the success we have had in progressing this matter today can be kept up when we return shortly for Committee Stage. I look forward to discussing this issue again on that Stage.

**Acting Chairman (Senator Terry Leyden):** I thank the Minister and officials for dealing with the Bill today.

Question put and agreed to.

Committee Stage ordered for Tuesday, 1 November 2011.

*Sitting suspended at 5.35 p.m. and resumed at 5.50 p.m.*

### **Business of Seanad**

**Senator Maurice Cummins:** I propose to suspend the sitting until 6 p.m.

**Acting Chairman (Senator Jillian van Turnhout):** Is that agreed? Agreed.

*Sitting suspended at 5.50 p.m. and resumed at 6 p.m.*

### **Report of Interdepartmental Working Group on Mortgage Arrears: Statements**

**Acting Chairman (Senator Jillian van Turnhout):** We will now hear statements on the report of the interdepartmental working group on mortgage arrears. Following the statement of the Minister of State at the Department of Public Expenditure and Reform, Deputy Brian Hayes, each Senator will have five minutes to speak. This time limit will be strictly adhered to, as many Members wish to speak. The Minister of State will be called on not later than 7.25 p.m. to conclude the debate which will finish not later than 7.30 p.m.

**Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes):** I thank the Acting Chairman for giving me the opportunity to respond on behalf of the Government to the Keane report which was published recently.

Like all Senators, I am acutely aware of the enormous pressures on the people. Those who face the twin problems of negative equity and distressed mortgages demand that the Government respond with effective solutions to the nightmare they face. Our response to the problem will define how an entire generation views politics. The Keane report is a good starting point, but that is all it is. What is needed, as the Minister for Finance, Deputy Michael Noonan, has acknowledged, is a clear plan throughout government to implement those ideas that can work to provide relief for those in this appalling position. That is what we are going to do, with an implementation strategy which will deliver real solutions.

We are not bound by the report. I very much disagree with its conclusions on providing support through the tax code for those who bought at the peak of the boom. Helping people through enhanced mortgage interest tax relief, particularly those caught in negative equity and who are meeting their repayments in full, is both a prudent and a sensible use of the taxation code. This issue is under active consideration and is, of course, a matter for the Minister and the Government in their deliberations on the framing of the budget. At this stage we should rule nothing in or out.

Let us be absolutely clear about what has happened. The banks cannot slither away from their responsibility for creating this mess. They were on steroids during the boom which was reflected in totally over-hyped property prices. They were the ones which pumped money into the market, which introduced 100% and higher mortgages, as well as 35 and 40 year mortgages. They cannot now behave like Pontius Pilate, wash their hands and walk away from the problem.

The covered institutions have a particular responsibility in this regard. They have been provided with public capital to allow a debt write-off for persons with unsustainable mortgages. Their failure to date in providing for this represents more of the same denial that was such a feature of the years leading up to the crash. The public has done the heavy lifting on behalf of the banks. It is now time for the banks to step up to the plate and they need to get on with the job in hand.

This debate in Seanad Éireann is crucial, as are the various committees of the Houses working on this problem. The Government does not have all the answers. Therefore, I appeal to all Members to work with us in coming to agreement, where that is possible, and setting out a common approach to the problem. However, solutions have to be realistic and applicable.

Like many others in this debate, I am particularly concerned about that group of young people who bought during the peak period of the boom and now find themselves in substantial negative equity. Many of them were seduced into taking out a mortgage by the aggressive marketing and promotion tactics of the banks. In many cases, the banks failed to adequately stress-test borrowers. There is a social and moral imperative on the banks to help those who are in difficulty with their mortgages. Mortgage holders are customers. They are not there to be squeezed for the last drop. The family, social and economic consequences of not taking action are too high.

The report under consideration should be taken in conjunction with the strong remarks made by the Governor of the Central Bank and, particularly, the very extensive speech made by the deputy Governor, Mr. Matthew Elderfield, in Cork recently. The Governor of the Central Bank has made it clear to the covered institutions that they have been provided with sufficient capital to deal with future losses on their mortgage books. The Central Bank and the Government are at one. It is high time the banks got on with the job in hand. Where mortgages are manifestly unsustainable, it is time they were written down. In his speech in Cork Mr. Elderfield set out in clear terms the vigorous approach the Central Bank would take in forcing the lending institutions to act more decisively and fairly. He was particularly severe in his criticism of the sharp practice of banks which raised interest charges on standard variable mortgages in an attempt to compensate for their losses on tracker mortgages.

There is no one solution which will work in all cases. The residential mortgage sector is multi-layered and complex. The stresses in the mortgage sector are a consequence of falling prices, falling incomes, rising unemployment and exceptionally low levels of activity in the housing market. According to the latest Central Bank report, the total number of mortgages is approximately 777,000, with a total value of just over €115 billion. We are speaking about a very large number of mortgages and a very large amount of capital. Within this figure is a wide variety of mortgages in type, size and duration. Analysts have estimated, for instance, that 25% of the residential mortgage market comprises buy-to-let mortgages. Third parties guarantee many mortgages; this is particularly the case with regard to mortgages taken out by younger people at the height of the property boom when parents acted as guarantors for their children.

The Government's position is very clear. We have three priorities: we want to keep people in their homes where this is the clear wish of the mortgage holder; we want to reduce the burden on homeowners facing mortgage servicing difficulties; and we want to redress the power balance between lending agencies and mortgage holders. Steps have been taken to date, but much more needs to be done.

I have been critical of the implementation strategy adopted by the banks in respect of the modest proposals made by the Cooney group which, as Members are aware, reported late last year. It is simply unacceptable that it has taken the banks more than eight months to implement the sensible idea that up to one third of mortgage interest could be set aside for two years for

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those persons who find themselves in this position. The Central Bank has published, and is strongly enforcing, a code of conduct on mortgage arrears. The bank has recently updated that code and has published a useful guide for mortgage holders who are encountering difficulty. Much more needs to be done to explain the rights of people in this position.

Earlier this year a mortgage arrears resolution process was put in place to outline the procedures that should be followed by lenders and borrowers and more than 69,000 mortgages have been restructured to date. It is disturbing to note, however, that 30,000 of these restructured mortgages have gone into arrears. Clearly the banks are not being realistic in their restructuring proposals. A restructuring proposal should have the capacity to last for a reasonable period of time. In any restructuring plan the ability to pay and a reasonable disposable income are essential ingredients.

The Keane report suggested a series of measures which will help some mortgage holders who are in difficulty, including a mortgage-to-rent scheme, a mortgage leasing scheme, a split mortgage scheme and a trade down scheme. The Government is moving rapidly to implement some of these suggestions on a pilot basis. Other measures such as debt for equity and shared ownership options may benefit some people and these will also be considered. The report also proposes a new independent mortgage advisory agency which would act as an advocate on behalf of mortgage holders during negotiations with lenders. Such an agency will help to redress the power imbalance which currently exists between lender and borrower.

Early in the new year the Government will bring forward major reform proposals in the area of personal bankruptcy. This legislation will be of benefit to those who have unsustainable debts, including unsustainable mortgage debts. In drafting the legislation careful consideration will have to be given to the danger of providing perverse incentives to either borrowers or lenders. In the meantime the prospect of legislation may be an incentive to lenders to move with more urgency in resolving mortgage arrears.

The interdepartmental group rightly points out that mortgage arrears are influenced by three factors, namely, affordability, negative equity and future prospects. Affordability is obviously the key metric in any discussion of mortgage arrears. Changes in people's ability to pay their monthly mortgage obligations will be strongly influenced by changes in employment status, salaries and tax rates. The prospects for some of the people who are currently experiencing difficulties will change for the better in the future. As the Keane report notes, predicting how incomes, interest rates and house values will change in the future is by no means an exact science. As the economy stabilises and growth returns, job prospects and salary levels will get better. Improved mortgage affordability will be a consequence of a stronger economy.

The other factor which is key to changing the outlook is a fully functioning residential property market. In 2010 the number of new mortgages was equivalent to the same number given out in 1971. This is a clear sign that the market is now dysfunctional. Nobody wants a return to a boom and bust cycle in residential property but it is in the clear interest of mortgage holders and the wider economy that we have a property market which functions at sensible levels of activity. Confidence is critical to this. Confidence will return when a clear resolution is found to the sovereign debt crisis and the associated banking crisis in Europe. Confidence will also be boosted when people see that the Government is showing the capacity and the determination to deal with a difficult economic situation.

The Government will also have to carefully investigate lenders' capacity or willingness to provide new mortgage finance. Without adequate levels of mortgage finance the residential property market will remain severely constrained. The Keane report is not the last word on residential mortgages. The Government is open to new ideas from other parties and Senators

and we welcome suggestions from interested groups outside the Houses of the Oireachtas. As part of our discussions over the budget we will be examining what further measures might be taken. The Government is fully aware of the scale and depth of the problems with residential mortgages. Comprehensive data on arrears is now being provided on a quarterly basis and we will work through the issues in a sensible, determined and fair way.

### **Business of Seanad**

**Senator Maurice Cummins:** I propose to amend the Order of Business so that we can continue our discussions with the Minister of State until 7.30 p.m., with the Minister of State to reply at 7.25 p.m.

**Acting Chairman (Senator Jillian van Turnhout):** Is that agreed? Agreed.

### **Report by Interdepartmental Working Group on Mortgage Arrears: Statements (Resumed)**

**Senator Darragh O'Brien:** I thank the Minister of State for outlining to the House his ideas on mortgage resolution. I am pleased to hear that the Government considers the Keane report as just that — a report — given that many of its recommendations do not go far enough. I also acknowledge the Government's willingness to listen to other ideas.

Fianna Fáil has published three Bills, namely, the Debt Settlement and Mortgage Resolution Office Bill 2011, the Regulation of Debt Management Advisors Bill 2011 and the Family Home Bill 2011, about which Senator MacSharry will speak further. These Bills make concrete proposals. The Debt Settlement and Mortgage Resolution Office Bill 2011 completed Second Stage in the Dáil last week. I hope it does not die in that House because one of the flaws of the Keane report and, to some degree, in the Minister of State's contribution is that too much power is being vested in lending institutions to come up with solutions. The proposals would give lenders the responsibility for approving financial plans and restructuring mortgages. A mortgage advisory council should be set up on a statutory footing and given decision making powers and the ability to assess the underwriting of the original mortgage proposal and ability to pay. It should be able to hear the arguments from lenders and borrowers before making a decision independently of the banks.

The Minister of State is correct to point out that the banks have not played ball. More than 50% of the mortgages in this country were given by non-Irish institutions. This is why it is crucial that the resolution office be put on a statutory basis with arbitrary decision making powers and the ability to rule on issues arising for mortgagees. That will not be done by employing 100 additional advisers in the Money Advice and Budgeting Service.

I agree that the market is dysfunctional. No new mortgages are being written and first-time buyers are in a quandary in regard to the value of houses. Prior to the Government's announcement of the two pillar bank approach and its rejection of the proposed sale of EBS to a US consortium, that building society was writing one in two first-time buyer mortgages. It is no longer offering mortgages now that it has been joined with AIB. We are thus facing a major problem as a result of creating two large banks in this State. The only other alternatives are Ulster Bank and, to a smaller extent, KBC. We need to maintain competition in the market.

What are we going to do for the tens of thousands of people who cannot repay their mortgages? As the Minister of State noted, more than 30,000 restructured mortgages have already fallen into arrears. This is happening because the banks were required under previous statutory guidelines to enter into 12-month restructuring arrangements. They are not restructuring the full mortgage, however. They are simply agreeing to their customers paying X euro for 12 months before reviewing the arrangement. This is not giving people a clear route out of the

[Senator Darragh O'Brien.]

debt problem. As we cannot trust the banks to offer the solution, a statutory body is needed to make the decisions.

I noted with interest the proposal on enhanced mortgage interest relief. I have repeatedly asked Fine Gael to honour the commitments made in advance of the general election to increase mortgage interest relief to 30% for those who bought their houses between 2004 and 2008. This would average €166 per month. The Government must pursue that policy.

In regard to variable mortgages, the Financial Regulator was 500% right. We have to tie the banks. The month before last, ICS increased its variable interest rate by 0.5%. The average variable rate with the ICS is just under 5%. I believe it is 4.79%. It is crippling people. The last increase led to an increase of approximately €150 a month in net payments on an average mortgage, at a time when people's salaries are decreasing. These institutions are not living in the real world. The Minister of State must support the regulator on that. I am glad he said that in his statement. It is something we can enforce in the cases of the banks over which we have control. There is no silver bullet in this regard. Time is of the essence. I am sure all Members receive hundreds of e-mails and representations from people in their constituencies who are experiencing difficulties. We cannot wait for another report.

I would like the Minister of State to confirm that firm measures will be included in the upcoming budget, which will be announced in early December, to help people in mortgage arrears. I hope I am right to assume that will be done. The situation is getting worse. I will not even get into the buy-to-let issue. We have produced three Bills that deserve to be considered by the Government. If the Minister of State takes one thing away from here today, it must be that the lenders should not be allowed to make decisions on restructuring on their own. The debt settlement and mortgage resolution office that we have proposed — the Government may wish to call it something else — needs to be established on a statutory basis. Such an office should be in a position to rule on these things. I thank the Minister of State for his time. This is not the last debate we will have. I reiterate that time is of the essence.

**Senator Fidelma Healy Eames:** The Minister of State is very welcome. I thank him for a strong and sound speech. I am delighted he has acknowledged that the Keane report is just a starting point. Everything that is being done by the Minister of State, the Minister for Finance and their Government colleagues in response to this problem will define how an entire generation views politics. That is it in a nutshell. I cannot imagine anything worse in our lives as a family than losing our family home. As the Minister of State rightly said, this serious issue has personal, social, family and economic repercussions for society as a whole. We are speaking against the backdrop of the continued unemployment of 442,000 people. As 185,000 of them have been unemployed for more than a year, they may be classified as long-term unemployed.

There is no easy solution to the mortgage crisis. A complex crisis of this nature needs to be considered ethically. I would like to make a few points. I will mention an option that I would like the Minister of State and the Minister for Finance to consider. The Minister, Deputy Noonan, has given me a commitment that he will examine it. It is important that this matter be dealt with urgently. I welcome the local authority pilot schemes even if I am not excited about them. Such schemes will be of use to very distressed people only. I suggest that a maximum of 10% of home owners fall into that category. In all other cases, we need to take a serious look at how we can help people to own their homes and meet their repayments.

This is a big problem. As the Minister of State said, some 45,000 households are in arrears of 90 days or more. Of the 70,000 accounts that have already been restructured, some 30,000 are failing to meet the terms of the restructuring. I agree with him that we must help those who cannot pay, as opposed to those who will not pay. I am not in favour of debt forgiveness.

Everything we are proposing must be understood against the backdrop of the fact that the banks have already been recapitalised to the tune of €9.5 billion on the personal debt issue. I understand that a further €5 billion is available. Those moneys would cover losses of between €25 billion and €35 billion in mortgages. That is a lot.

I would like to comment briefly on a few of the new proposals in the Keane report. I will outline my criticisms or otherwise of them. The proposal regarding trade-down mortgages would allow the owners of higher-value or larger properties to trade down to a more affordable mortgage and carry the negative equity with them. Will the Minister of State clarify that? If mortgagees trade down to properties of less value and carry the negative equity with them, how will this work for them? Will an amount that is separate from the new reduced mortgage continue to be outstanding? How could that be achievable or payable?

I see great merit in the proposal regarding split mortgages. It is one of the best solutions, but it needs to be thought through line by line. It is in this context that I intend to refer to the proposed equity option plan. As I have said, the mortgage-to-rent proposal relates to very distressed mortgages only. The sale by agreement proposal really suits the banks. The banks have been recapitalised, as we said. It is a win-win for the banks. They have been careful to ring home owners about this rather than writing to them about it. The only person this proposal will suit is the foreign buyer who intends to go home. It is not good enough for the Irish buyer.

A positive proposal, which can be described as a split mortgage based on an equity option plan, was shared with Members in the audio-visual room the other evening. It gives the Government and the banks an opportunity to put solid structures in place to allow people to plan their way out of this situation. It gives home owners back their spirit and restores their dignity. I will give a precise example that relates to a family home with a current market value of €280,000 and a current mortgage amount of €317,000. The original term of the mortgage was 25 years. The current monthly repayment on the remaining €317,000 is €763. As this is an interest-only payment, it is never-never land. It is not much good. It is not getting the family closer to ownership. If they were to make repayments on an annuity mortgage, including the capital, they would be paying €1,800 a month over 25 years, which they cannot afford. If they switch to an equity option plan, the current interest-only repayment of €763 per month would now finance an annuity mortgage, including the capital, of €128,000.

Basically, I am proposing that such a mortgage should be split. Families would qualify on the basis of what they can afford. The family in this case can afford to make repayments on €128,000, which is 40% of the overall mortgage. The bank would take 60% of the equity. It is now split in two, between what the family can and cannot afford. The 60% is parked but it does not become a non-performing loan on the bank's books if a small percentage — less than 1% — of simple interest is charged on it. Each year, the owner would be sent a valuation certificate stating that he or she owns a certain amount and has an option to buy back a certain amount. If they were able to buy back an extra €5,000 in year one, that would give them 42.25% equity and the bank would be down to 57.75% equity. This is a long proposal. More details about this equity option incentive plan can be found on *eoip.ie*. It would enable the home owner to maintain ownership of his or her home.

**Acting Chairman (Senator Jillian van Turnhout):** I ask the Senator to conclude as there is a long list of Senators who wish to speak.

**Senator Fidelma Healy Eames:** It also shows the public that the bank is taking some responsibility for helping with the restructuring and maintaining the ownership. I will finish by asking a final question. How will the Government deal with foreign banks based here, such as Ulster Bank, that have Irish clients?

**Senator Katherine Zappone:** I welcome the Minister of State back to the House. I was delighted to note his sense of urgency and to hear his perspective on the banks. It was quite a contrast with the sense I got when I read the Keane report. I join him in emphasising the political urgency of our response to the Keane report, not only in relation to the scale of mortgage arrears, which is what the Minister of State's comments largely focused on, but also in relation to the personal debt crisis that continues to unfold as we speak and from the perspective of the Government's commitment to eradicating the poverty of our people.

I have spent 25 years working with the people of the communities of Tallaght west and especially with the An Cosán organisation, which is located in Jobstown. I view our response to the personal debt crisis, including the mortgage arrears issue, as a prime opportunity to tackle poverty. Rather than happening after we have sorted the bank debt crisis, it should happen alongside and parallel to the development of a banking sector for our country. This is one way of developing a new and socially sustainable political and economic model for this country. My perspective is that the hammering of those with personal debt should not be a core ingredient in the salvaging of the banks. I accept, in light of what he has outlined, that it is the Minister of State's perspective too.

As we know, stories are appearing in the media every day about households that have drastically cut their expenditure on food in order to pay their debts. In my own experience of working with families, I have witnessed how the almost impossible task of paying debts while meeting the most basic needs of families exerts almost unbearable pressure on people, sometimes resulting in loss of life. I know of a case in which a life was lost in light of this. Our current debates about the eradication of poverty are not sufficiently informed by socially agreed and empirically based income standards. I will return to this in a moment in the context of one of the suggestions I would like to make on foot of the report. We need to keep these issues foremost in our minds as we figure out how to deal with personal debt crises, while ensuring that households in debt retain a sufficient income to meet basic needs. Otherwise, we will unravel our social fabric and our commitment to fairness and justice in the search for an ideal economic solution.

I will focus my remarks on two aspects of the Keane report, namely, its recommendation for an independent mortgage advice function and its proposals on new bankruptcy legislation. The Keane report recommends the creation of an independent mortgage advice function. Additional advocacy, advice and support for people who may be negotiating with large, sophisticated commercial lenders is to be welcomed, yet the structure and the resourcing of this new body and its mooted link to MABS require more consideration. In the current environment, an holistic approach to debt is necessary. In order to provide adequate and efficient advice to people on all of their debts, all of their debts must be considered, both mortgage debt and personal debt. It seems somewhat illogical to require debtors to seek advice on mortgage debt from the proposed new body, and then expect them to seek advice from MABS on all other forms of debt. How should people in already stressful situations reconcile both sets of advice in order to get a clear picture of their overall financial situation? What is needed is an adequately resourced agency that provides necessary advice, but which is also a robust advocate for the needs of the debtors. I am not necessarily arguing that it has to be MABS.

Page 18 of the Keane report recommends a three-tiered approach to bankruptcy legislation. We need such an approach, and I note that this also echoes some of the very helpful work of the Law Reform Commission. It needs to be three tiered to create effective debt settlement and to be supportive of poverty reduction. We need a range of options to manage debt for the good of the individuals and the good of society. A range of options can recognise multiple debts, provide a machinery for debt management, arrange for the write off of debt in individual cases, the amount that cannot be repaid over the insolvency period, and ensure that a minimum

income of debtors can be protected to meet their basic needs while repaying debts. The Minister of State referred to some of this in his speech.

The bankruptcy tier of this legislation will give people access to a mechanism which, if worst comes to worst, will allow them to pay as much of their debt as they can over a limited period and in that way, will allow them to earn the opportunity of a fresh start. Not everyone currently in serious debt will want to be declared bankrupt. Many people just want to be able to manage their debt, and it is to that non-judicial aspect of the debt settlement process that I want to address my final remarks.

The Government should give very serious consideration to the FLAC proposal for a debt resolution agency, which is something that is influencing some of Fianna Fáil's Bill, and something that will bring us in line with European best practice and that will oversee the resolution process of multiple debts and not simply mortgage arrears. What is needed is an agency with statutory powers to make independent binding adjudications, where necessary, that are subject to a right of appeal to the courts. It is an agency that needs to take an holistic approach to all debt, taking into equivalent account the interests of the lender. Equally importantly, this agency should be provided with the statutory authority to allow the debtor entitlement to a minimum income. I wish to draw the Minister's attention to the extensive work of the Vincentian Partnership for Social Justice, which has been working for over 12 years to develop and implement a robust methodology to determine the minimum essential standard of living for various household types. This methodology has taken into account what has gone on in other EU states.

Finally, I would like to finish where I began. There ought to be a genuine sense of political urgency to deal with these issues, particularly to put in place adequate and appropriate personal insolvency legislation. Can the Minister of State confirm that we will soon have that Bill before the House? I hear it in the Minister of State's words, but it is not necessarily reflective in the report before us. Is there an appetite to bring this forward soon, even if it means that when legislation is enacted, banks will have to write off some debt, including mortgage debt, and start spending the money with which we capitalised them?

**Senator Aideen Hayden:** Over the course of this debate, I expect we will hear similar proposals coming from both sides of the House. That is as it should be, because this is a national crisis facing us and we are all seeking the same types of solution.

We are all aware of the different comments in the media and so on relating to the debt crisis. One of them comes from people who already own their own homes. They would say that in their day, they saved up and sat on orange boxes until they had enough money, and that they cannot understand why people did not take their time and wait until they had enough money to buy their own homes. It is important to point out that people who bought their home in Ireland 25 years ago — perhaps even 15 years ago — were able to do that at a price three times their income, with Government benefits such as the tenant purchase scheme, first-time buyer's grant, stamp duty and mortgage interest tax reliefs to the extent that they were subsidised to almost 50% of the entire purchase price. It is important to bear that in mind when we are looking at those today who represent one generation of people dealing with this particular crisis and for whom the cost of their home was at least eight to 12 times their annual salary. When we talk about taxpayers' money and so on, we need to be aware that taxpayers' money has been firmly engaged in the home ownership market for many years before we got to where we are today.

We should acknowledge that Mr. Keane has said that this report is not the final word, but rather a step along the road, and as such I welcome it. It is fundamentally flawed in that it does not deal with the buy-to-let market. Allied Irish Banks acknowledged that up to 20% of its buy-to-let mortgage book is impaired, which means that it is more impaired than the

[Senator Aideen Hayden.]

domestic loan book. Unless we take into account that aspect of this crisis, I do not believe we will come forward with proposals that will actually go to the root of the problem in the Irish housing market. We need to have a robust examination of the buy-to-let mortgage books of all the lenders before we can really know where we are.

The Keane report mentions the need for insolvency legislation, and we are all agreed that this is absolutely critical and that we need to move with it as quickly as possible. I welcome the recommendation in the report on independent advocacy. However, I do not think that is even remotely close enough to what is required. Any solution that puts banks at the centre of this difficulty will be unacceptable to the people of Ireland. In my opinion, we need a three-tiered system. We should have independent advocacy. We need to have a non-judicial debt settlement process. We need to have the banks coming into that non-judicial debt settlement process as equals with the borrower, who is represented by an independent, fully qualified able advocate. Only when we have that type of a system can we move forward.

There are two proposals in the Keane report on mortgage to rent schemes, one of which relates to the voluntary housing associations and one of which relates to the leasing to local authorities of distressed mortgaged homes. The second proposal is entirely unacceptable. It leaves the legal title with the bank and it is entirely repugnant to the people of Ireland that they will pay taxes for repossessed homes. I know there are difficulties with the troika, but I see no reason local authorities could not create a special purpose vehicle in which they can take legal ownership of distressed homes. The tenants of those properties, as they would become, could have all of the benefits of social tenancy, including the right to tenant purchase of their homes and the right to incremental purchase. We have to give hope to those whose homes are repossessed. We cannot leave them sitting there forever in homes they once owned. The day they are forced to lose them, they must know they will be able to recapture their ownership.

My final point concerns split mortgages. To be honest, I was disappointed with the Keane report. It was almost like an apologist for the banking sector in not allowing the interest on the parked portion of the mortgage to be forgiven. That is unbelievable and outrageous. One cannot talk about split ownership. That is unacceptable.

**An Leas-Chathaoirleach:** The Senator's time is up.

**Senator Aideen Hayden:** I only need 30 seconds. We must look to the banks to take a share of the burden. I strongly advocate shared equity. At the very least, the interest on any split mortgage should be parked.

I agree with the Minister of State; we must move forward, as the market has ceased to operate. I strongly advocate the establishment of some type of third banking force, as we cannot continue as we are.

**Senator Marc MacSharry:** I thank the Minister of State for attending the House to discuss this issue. He will have heard many of the points made on the last two occasions on which we debated it. I am critical of the Keane report along the same lines as New Beginning, but I do not want to rain on anybody's parade, as it is another effort by a group of people to come up with solutions. Almost always I find myself disagreeing with Deputy Joe Higgins on his views and colourful contributions. I have to say, however, that he got it in one on the Keane report which is effectively about sending the fox back into the hen house to give CPR to the hens that have just been attacked.

This House is very much in agreement. Having been a Member for nine years, the great tragedy of the Seanad is that there is a Whip. We were forced to vote down the Family Home Bill on Second Stage a number of months ago, pending the amendment of the Debt Settlement and Mortgage Resolution Office Bill which was accepted on Second Stage last week. It is a shame that there is a Whip because we could have been ahead of the game otherwise. I, therefore, ask the Minister of State to read his script from that night rather than his script of tonight. They are extremely different in acknowledging that there is a major problem.

**Deputy Brian Hayes:** A week is a long time in politics.

**Senator Marc MacSharry:** I know. The demands of ministerial office are such that the Minister of State does not get to write his own scripts. If he did, there would not be such inconsistencies.

I agree with other Senators that the banks must share the burden. Could the Seanad discuss the Bill accepted in the other House in Private Members' time without a vote? It is now parked in the Dáil and will be prevented from being brought to us until such time as it moves forward or is dropped. It can be amended; in the other House Deputy Michael McGrath said improvements could be made to it. It would be workable, as the Minister for Justice and Equality, Deputy Alan Shatter, acknowledged, but we do not have much time to deal with the matter.

I encourage the other House to re-examine the Family Home Bill. I take the point that there would be a judicial process, from which we want to move away, if we can. I agree; therefore, let us just do it. That is what the Debt Settlement and Mortgage Resolution Office Bill seeks to do. In the interim, however, giving the courts such powers — having been a banker — would scare the living life out of every banker whom I know, to the extent that no case would get nowhere near the courts. The same innovative minds that came up with derivatives to lose many billions of pounds, dollars and euro all over the world would be put to work to ensure mortgagees who have lost one of two incomes in a household and are now under serious pressure because they have borrowed up to 12 times their income to purchase a house would be kept in it.

What would be wrong with embracing the concept behind what we have asked the Troika to do for us and those three bodies are doing for Greece and other economies? We should say to people, "If you are a good medium-term bet, let us elongate your mortgage and come up with different terms. Yes, let us pay a dividend to the bank in which we, the State, are a shareholder, but let us also give you dignity by being able to stay in your own home and pay your bills." That is why I am not in favour of the solution proposed: "We will stick you in a council house and you will be fine."

I do not doubt the Minister of State's commitment or that of the Government. I asked New Beginning what was it that had kept Fianna Fáil and the Green Party in government, that kept Fine Gael and the Labour Party in government, and kept officials from taking this step? Is it the all powerful within the banks or the banking division of the Department of Finance that stops us from taking this step to help the public? Instead, it is being kicked out through Mr. Declan Keane or Mr. Hugh Cooney before him, or the implementation strategy which will be put in place following debates in the Dáil. What is it that is stopping us from taking this one radical step to give the public what it wants? The reason the people destroyed Fianna Fáil was there was no sense of ownership of public policy. The public should be given this to let them see that in some way they are purchasing the same thing which, as a State entity, we are purchasing internationally. If that is done for them, the Minister of State will be in government forever.

[Senator Marc MacSharry.]

I want to see real progress being made in this regard but not debt forgiveness. People should be given dignity by being allowed to stay in their own homes. We need innovative steps to ensure this happens.

**Senator Deirdre Clune:** I welcome the Minister of State's comment that, in addition to the Keane report, the Government is open to many suggestions on what can be done to move matters forward. That report is not the answer to all of the problems, but it is an important block in finding the solution. I share the criticism that the report does not represent consumer groups or mortgage holders, on whose behalf many Senators have spoken in this debate. The Minister of State is aware of *New Beginning*. The Joint Committee on Finance, Public Expenditure and Reform is holding hearings to thrash out proposals and possible solutions offered by such groups. There is a real sense of urgency, as the budget will be announced in six weeks time. Having heard the comments of the Minister and the Minister of State, I know it will contain measures to tackle this issue.

The family home is important, whether it ends up being rented under a local authority mortgage-to-rent scheme or through a voluntary housing agency. It is important the family unit stays in the home and the children continue to attend their local school. We must do whatever we can to keep people in their homes.

Some mortgages are distressed, while others are not. In addition, some people cannot pay, while others will not do so. We need to work with people in paying whatever they can. There is no blanket solution because these matters need to be tackled on a case by case basis. As the property market is stagnant, we need to get back to a position where properties can move. People should be able to buy again, trading up or down-sizing, as they wish.

Personal insolvency is an extremely important issue that needs to be addressed. In 2010 the Law Reform Commission produced a report on the issue which is also mentioned in the programme for Government. The Minister for Justice and Equality, Deputy Alan Shatter, is working on it and has promised to produce legislation to deal with it. He has been working hard since his appointment; therefore, I have every confidence that the legislation will be forthcoming.

There are many templates on how to deal with the issue. We need only look across the water to see what is being proposed. It is being proposed in Great Britain and Northern Ireland that they move away from the courts in obtaining a debt settlement to avoid lengthy and expensive court hearings. It is possible to do this and there are many examples. We need to get on with tackling the issue in this country, as we have had too many reports. If we are to relieve people of their debt — I am not saying we will have a debt write-off — we must put them in a position in which they can work and reignite their entrepreneurial skills which will be very important to the recovery of the economy. I am very conscious of the language I am using. We must always bear in mind that there are some who simply cannot pay but who still have something to offer. They are burdened with endless debt. Our outdated bankruptcy law is not doing them any good and certainly is not contributing to future economic development. These are the issues that need to be tackled.

The report represents one step and one solution. We cannot go on as we are. Mortgage interest relief is a stopgap; it is not the solution for everybody. It is a forbearance issue, from which we need to move on. It is urgent that this matter be addressed and we should proceed on a case by case basis. The most important step for society at this point is to keep people in their family homes.

**Senator Jillian van Turnhout:** I welcome the Minister of State and the openness of his intervention. I am certainly no expert on this subject, but I believe it is one that goes to the heart

of every household. It is, therefore, a burden we must all share. In finding a solution, we must work together.

In my reading of the Keane report, I did not see definitive solutions for distressed homeowners. The report raises more questions than it provides answers. It has left me with the distinct feeling that the balance has been struck very much in favour of the banks, which is why I welcome the Minister of State's comment that we need to consider other solutions and reports. The report falls short of addressing the overall debt crisis, which is desperately needed.

I have some specific questions on which I seek clarification. The mortgage-to-rent scheme has been recommended as one of the tangible supports needed for distressed homeowners with unsustainable mortgages. The introduction of two mortgage-to-rent schemes was referred to. One envisages utilising an approved housing body, otherwise known as the housing association. The Minister of State outlined that the idea would be for the housing association to buy properties from mortgage holders at a discount on the current market value. The report does not set the level of discount, but the equivalent scheme in the United Kingdom refers to 90% of current market value. The mortgage lender would provide a 75% long-term loan for the housing association, secured on the property. The Department of the Environment, Community and Local Government would provide the remaining 25% equity. The mortgage holder would pay, or partly pay, the mortgage with the proceeds of the sale. This would obviously involve some write-down of the outstanding mortgage, but the report does not specify whether the debt would simply be written off by the bank or whether the mortgage holder would still be liable. Perhaps the Minister of State will clarify that aspect for me. The mortgage holder would stay in the property as a social housing tenant, paying differential rent to the housing association, with the Department of the Environment, Community and Local Government paying up to 80% of the market rental figure to the housing association.

I welcome the Minister of State's comments, but my concern about the specific mortgage-to-rent option, which forms part of my overarching concern about the report being limited in its recommendations and conclusions which result partly from the working group not consulting representatives of wider society or the organisations on the ground responsible for implementation, is that it places a considerable financial risk on the housing association which would have to borrow large sums to run the scheme. If the mortgage-to-rent scheme is to become a reality, it is imperative that a formal consultation process with the housing association sector be embarked on first and that the sector be meaningfully involved in setting up the scheme. Will the Minister of State provide an assurance that such a formal consultation process will be put in place before the setting up of the scheme, given that housing associations are effectively being asked to borrow money to remove large property debts from the balance sheets of the banks?

I share the concern of many who have stated the recommendations are narrowly focused and do not address the personal debt problem. I refer to mortgages. As the Minister of State outlined, we need a more holistic all-debt approach that recognises that the mortgage arrears problem is part of the overall personal debt crisis which is crippling tens of thousands of people. I was looking at the proceedings of the Joint Committee on Finance, Public Expenditure and Reform on the monitor last Wednesday when representatives of MABS said they could not separate mortgage debt from other forms of personal debt because 91.5% of people contacting its offices with mortgage debt concerns were also overwhelmed by personal and other household debts. It is for that reason MABS suggested it be bolstered by the addition of 100 advisers instead of creating a 100 personnel-strong mortgage arrears agency, as proposed in the Keane report.

[Senator Jillian van Turnhout.]

I join the Minister of State in saying we need to redouble our efforts, as we must all be part of finding a solution. I ask the Minister of State to encourage all relevant Departments to consider the nine principles to overcome personal debt proffered by FLAC and other national front-line organisations dealing with mortgage arrears, personal debt, poverty and housing rights. The report should be viewed as a useful framework to shape a policy response. The solution to the overall debt crisis will have to be arrived at in one way or another. In the interests of cost-effectiveness, both social and economic, like all present, I believe we need to arrive at it sooner rather than later.

**Senator John Kelly:** I welcome the Minister of State. I am eagerly awaiting the outcome of the referendum on Thursday to see whether Oireachtas Members will be given powers of investigation. The sub-prime lenders must be investigated to determine how they operated their businesses. I fully accept there was reckless borrowing throughout the Celtic tiger years, mainly driven by a political belief that the good times would never end. Serious, reckless lending was being engaged in by lenders, particularly sub-prime lenders. I have always believed lenders should have a duty of care towards their borrowers, but this was not evident in the period in question.

Having been a community welfare officer in recent years, I can give an example of what I am trying to explain. It concerns a young man who had a 25-year mortgage of €168,000 with an Irish mortgage provider. All was fine until he decided to pay off his van and car loans and the debts on three credit cards. As he was getting married and needed money for his wedding, the loan was extended to €250,000. In his application to the lender he clearly stated what he was earning per month, namely, €2,500. His repayment, however, was €2,600 over a period of 40 years. He clearly demonstrated to the lender that he was not able to pay the mortgage for 40 years, but it gave him the money nonetheless. It put a noose around his neck for the rest of his life and that noose is tightening as the days go by.

The mortgage interest supplement will work in the case of a realistic mortgage, but not for an unsustainable one. We need to consider this issue because most of the unsustainable mortgages are held by people on social welfare in receipt of help from the State. MABS believes there should be some debt settlement because too many will never get to the bottom of their debt problems. I totally agree. Sub-prime lenders, rather than the taxpayer, should be made to endure the losses incurred.

I am encouraged by the Minister of State's very clear and strong statements. I totally agree that the banks cannot slither away from their responsibilities. They have been provided with public capital to allow for a debt write-down in the case of persons with unsustainable mortgages. As they are manifestly unsustainable, it is time they were written down.

The Minister of State has said that in any restructuring plan ability to pay and having a reasonable disposable income are essential ingredients. The report proposes the creation of a new independent mortgage advisory agency to act as an advocate on behalf of mortgage holders during discussions and negotiations with lenders. When will this agency be set up? It is urgent. Will it be an arm of MABS or a totally new agency?

With regard to third-party guarantees, I feel sorry for elderly persons who guaranteed loans on very expensive homes for younger people. I have stated before the not widely known fact that where one guaranteed a loan for a borrower 20 years ago, that guarantee is still in place if that borrower gets into financial trouble, even if the original loan has been paid off.

That guarantee is still in place if someone finds themselves in financial trouble today. The banks can go back to that person and put it to them that they guaranteed a loan for another

person and unless one has informed the banks that the loan has been paid off and one wishes to withdraw it, the guarantee is still in place. That is a fact but many people are getting caught out. It is important that such anomalies are taken out of the equation because too many people are being sucked in.

**Senator Kathryn Reilly:** I welcome the Minister of State to the House. Lately it seems that I have seen him in the House more than I have seen some of my colleagues in Sinn Féin.

**Deputy Brian Hayes:** The Senator should not tell them that; I expect they would be upset.

**Senator Darragh O'Brien:** They are canvassing.

**Senator Kathryn Reilly:** We are all aware of the problems homeowners face. Young couples and families are in distress having bought homes at highly inflated prices during the boom. People not much older than me were saddled with vast mortgages they have no hope of paying now as a result of the economic recession and job losses. We know these people were given mortgages almost without question. The banks were eager to lend at the time and it became the norm for young people to be saddled with vast debts. After the 2007 credit crunch and when the end of the boom arrived, many young families found themselves in drastically reduced circumstances. Job losses and the subsequent reductions in the standard of living resulted in a deep recession. Many people are trying to hand back the keys to the white elephants they own and are trying to emigrate in search of work. Others, struggling to hold on to these houses, must make daily choices between food, medical and utility bills.

As the Minister of State noted, at the end of June 2011 there were 777,321 private residential mortgage accounts held in Ireland to a value of €115 billion. Of these, more than 55,000 accounts were in arrears for more than 90 days. This compares with 49,000 accounts in arrears for more than 90 days at the end of March this year, only a few months ago. Worse, the Dublin Simon Community has reported a continuing increase in demand for its services and it estimates that up to 2,000 people in greater Dublin are homeless.

As previous speakers have noted, the banks have not offered many constructive ideas but they continue to empty our citizens' pockets with coolly detached efficiency. They argue that they did not indemnify themselves against potential losses when they were handing out loans left, right and centre. We call for full disclosure from the banks on indemnifications around potential losses. If the banks did not hedge against bad debt we want to know why. This bad judgment means it is only fair that the lenders shoulder their share of the losses incurred by reckless lending. The fact that the banks are escaping scot-free became apparent with the release of the Keane report. It left the burden firmly at the door of distressed borrowers and it did not offer any practical solution involving burden-sharing with the lender, nor did it criticise the lenders. The report has been widely disparaged and much has been made of the narrow spectrum of the report's parameters. For example, the team was made up mainly of civil servants and it was headed by a partner of one of the big-four accountancy firms. These firms worked hand-in-hand with the banks and they have been criticised in the past for their lack of fault reporting when auditing the lending practices of the banks. As suggested earlier, the Keane team did not consult MABS or other firms, a foolish omission to say the least given that MABS is at the front line in assisting those who cannot cope with their crippling debts.

The Government must address this crisis urgently and it cannot be left to the banks. More and more homeowners are reporting aggressive debt collection tactics and a refusal to communicate from lenders. Any practical alternative must be based on four people-centred principles. We must maintain the family home. We must ensure the banks engage actively with distressed borrowers in the first instance to come up with positive and manageable solutions,

[Senator Kathryn Reilly.]

such as reducing the value of the mortgage in exchange for an equity stake in the property, which could be bought back at a later date. The lender should have no property management functions and receive no rent for its share of the property. However, if the house is sold at a later date the bank should recoup its share of the sale price of the property. In this way the burden of loss could be shared by both parties. Proper housing alternatives must be provided if the family home cannot be maintained. Borrowers should have the option of trading down to a smaller property or seeking the help of local housing associations. However, funding must not be depleted further in the crucial area of social housing, given the disarming rise in homelessness, as I have remarked already, and the travesty of ghost estates. We must consider debt sustainability and sharing the debt burden fairly. This is crucial. To illustrate this point we should consider the commitment to pay off bondholders to the tune of €13 billion when €12.5 billion could write off all distressed mortgage debt in the country.

A sustainable solution to the debt crisis facing our communities must be found. We all agree as much and no one would deny it. As Senator Zappone suggested, we should consider personal debt, not just housing debt. Central to this is getting people back to work. This will heavily revolve around budget measures, growing the economy and regulating credit and the banking sectors. With regard to housing debt, the priorities must be: to maintain families in their homes; to deliver social housing for those in need; debt sustainability; and debt burden sharing. This must be at the core of any Government-driven response.

**Senator Jim D’Arcy:** I welcome the Minister of State to the House. I was impressed by his speech today and by his commitment to try to work to solve some of the problems with mortgage arrears. In this sense I welcome the Keane report as a first step in dealing with people who can afford no longer to pay their mortgages, such as those with sub-prime mortgages, and those who might benefit from the mortgage-to-rent schemes. These are good for a limited number of people. I have come across many people who would welcome the chance to continue living in their house but who cannot afford to own the House. A remedy has been proposed on a pilot basis and I believe it will work. I am less convinced of the Keane report with regard to those who can pay a certain amount or a substantial amount towards their mortgages and who, if times improve, might be able to pay the lot.

Suggestions have come from outside such as those from New Beginning and others including a man called Ger O’Toole who was in with us. There is scope to improve what is recommended in the Keane report and I welcome the Minister and the Minister of State’s commitment to listen to outside ideas. This cannot be solved purely on a case-by-case basis, principally because those dealing with it, that is to say the officials in banks on the end of a phone, are incapable of doing so.

Senator Reilly referred to the refusal of lenders to communicate and this takes a number of forms. They may talk but they are not communicating. This is the problem and I have encountered it while dealing with the issue for many people. One cannot dry the marrow from the bone. It is harrowing to hear of people, including young couples with families, who do not even have €5 to buy a present so that their child can go to a birthday party because they are putting all the money into the repayment of the mortgage. We must do something about it. This is why there is all-party agreement in the Seanad that we will stand together on this issue and help people in distress.

Tá an t-am ag sleamhnú thart. We must concentrate our efforts in respect of the Keane report in the areas I have outlined in order to arrive at an equitable solution for those who find themselves in the dreadful situation to which I refer.

**Senator Tony Mulcahy:** I welcome the Minister of State. However, I do not welcome the Keane report and I placed that fact firmly on the record last week. The report, which took five months to compile, is farcical. I concur with much of what Senator Reilly said. Like her, I would be interested in obtaining some details with regard to Mr. Declan Keane and his background. Mr. Keane adhered to the brief he was given but he certainly did not endeavour to solve the problem of mortgage arrears in any way, shape or form.

I intend to begin by offering one or two solutions because there is a need for immediate action. I suggest that the Minister for Justice and Equality consider introducing legislation which would give judges the power to consider the requirements of borrowers when handing down decisions. At present, judges are only in a position to consider the needs of lenders.

Senator Zappone referred to the expansion of MABS and the creation of some sort of facilitator to deal with all debt. The domestic economy is effectively in a state of collapse. In the context of insolvency measures, we are discussing the need to deal with the problem as a matter of urgency but it took Mr. Keane's group five months to report. It has been stated that legislation relating to insolvency will be introduced in March. The Government will have been in power for a year at that stage. I do not know what the budget is going to contain, so we will be obliged to await developments.

There has been a great deal of discussion with regard to moral hazard, which only applies to certain individuals. Moral hazard did not apply in respect of major developers. Neither did it apply to bankers in the context of the decisions they made to lend people money. I have yet to see a developer or a banker holding up his or her hand and declaring "*Mea culpa*". Moral hazard also did not apply with regard to many of the people in these Houses who, through the Department of Finance, facilitated much of the lending that took place in the past. I have yet to see any of these individuals state that they should have put a stop to what was happening. They issued a report when it was all over but they had been warned about what might happen for the preceding 12 years. The action they took was somewhat late.

Reference was made to taxpayers being adversely affected. It is the latter who have been obliged to pay 30% more taxes. Many of them were also probably affected by the decision taken by the banks last week to increase business charges by 0.7%. If they have variable mortgages, then those to whom I refer will certainly be paying more money to their banks at this stage. Despite all this, these people are being referred to in the context of having a moral hazard. As I informed the representatives from New Beginning when they came before the Joint Committee on Finance, Public Expenditure and Reform, we need to keep people on the pitch for as long as possible. We must ensure that as many people as possible continue to contribute to the system for as long as possible. Unfortunately, I also include the banks in this regard.

The banks must allow people to remain in the game. In that context, a certain level of debt could be parked for a period of ten to 15 years. For example, 40% of a debt could be parked and the borrower could then repay 60% and some interest. The banks would eventually get all of their money back plus some interest. They will not obtain the exorbitant levels of interest they are seeking but they will get a certain portion.

Solutions will be required in the next three to four months, not the next two to three years. As I stated last week, prior to the summer those of us on the Government benches were obliged to vote against the Family Home Bill sponsored by Senator MacSharry. I must admit that I had grave difficulty in voting against that legislation. Why is it not possible for those in government or Mr. Keane to engage in discussions with New Beginning and other interested parties? Why is it not possible to bring them and Mr. Richie Boucher and the new head of AIB, whenever he or she is appointed, together in order to find a solution to this problem? Legislation is not required in order to encourage people to discuss and resolve particular matters. However, we must find the solutions to which I refer quickly. If we do not and if we continue

[Senator Tony Mulcahy.]

down the current route, there will be very few people left who will be in a position to pay their debts. The way the domestic economy is going, there will soon be no money to pay the wages of nurses, doctors and Members of these Houses. That will leave us in a right fix.

If people become organised and decide not to repay their debts or whatever, the country will be faced with a real problem. That reflects the gravity of the situation. I suggest that we make decisions as quickly as possible. I read the Minister of State's script and much of what he said is extremely strong. I also read the statement made by the head of regulation at the Central Bank, Mr. Matthew Elderfield, at a recent event in Cork. I am of the view that Mr. Elderfield needs to do more than just make statements. I do not want to know what he has to say, I want to know what he intends to do. I will certainly want to know, by the time the budget is introduced, what the Government proposes to do.

**Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes):** I can inform Senator Mulcahy that he will not be obliged to wait until the budget is introduced in order to discover what the Government proposes to do. It is the Government's intention — as set out by the Minister for Finance, Deputy Noonan — to put in place a full implementation strategy in advance of the budget. This will mean that no one will be obliged to wait until the first week of December in order to discover what are the Government's proposals. We will be proceeding to deal with this matter in the coming weeks. That is what the Minister for Finance said in the Lower House and I am in full agreement with him. It is the responsibility of Senator Mulcahy and the other Members of this House to ensure that we deliver on what we have proposed. That is what holding a Government to account involves. I have just provided the Senator with a bold statement and I reiterate that we are going to do what we have said.

The Government is going to proceed in the manner proposed because it has prioritised this issue in the context of the publication of the Keane report. Mr. Keane is outside of the Government and I understand that his services were provided free of charge, and on a *pro bono* basis, by the company — PricewaterhouseCoopers, PwC — by which he is employed. I do not intend to make a big song and dance in respect of this matter. However, I reiterate that Mr. Keane is employed in the private sector and that he was retained to carry out a job of work for the Government. Are we bound by his report? The answer is "No". We appreciate the work Mr. Keane has done and we intend to build on it in order to see what we can achieve by way of developing an implementation strategy.

The Keane report was presented to the economic management council of the Government. As Senators will be aware, the Taoiseach, the Tánaiste and Minister for Foreign Affairs and Trade and the Ministers for Finance and Public Expenditure and Reform, Deputies Noonan and Howlin, respectively, are the members of that council. The latter are the four members of the Cabinet who have huge responsibility in this area. Why is that? It is because they prioritised the issue. Having received both the Cooney and Keane reports, we want to proceed to deal with matters because now is the time for action.

The Government has been apprised of the position in respect of this matter and I assure Senators that we want to take action. The implementation strategy will be published in the weeks prior to the budget. There may well be issues in the budget which we will be obliged to address in the context of the country's fiscal position. However, it is the intention of the Government to publish the implementation strategy soon.

I am not being patronising when I state that the contributions of Members in both Houses and in the committees are important. We are not merely talking to ourselves. The relevant officials are, on a cross-departmental basis, having regard to the suggestions people are putting forward and are seeking to discover whether certain proposals, if adopted, could work and could make a difference in the fullness of time.

We need to publish the personal insolvency legislation — the heads of which are currently in development — as soon as possible. Without such legislation, we will not have a stick with which to beat the banks. One of the reasons nothing has happened in respect of this issue is because the banks are awaiting the legislation, which will transform the position with regard to personal insolvency. The current system whereby people can, from a financial point of view, be placed in cold storage for up to 12 years, is Victorian in nature and is completely out of kilter with the insolvency legislation that applies in other jurisdictions. In the absence of the legislation to which I refer, we will not have the incentive necessary to lure the banks to the table in order that the necessary deals can be made. The personal insolvency legislation is crucial and it will be introduced.

One of the first actions taken by the Minister for Finance, Deputy Noonan, on entering office was to totally transform his Department's banking unit. He brought in a person from the outside who has particular experience relating to the private sector and the operations of the Central Bank to run the unit. We have given a commitment to enter into immediate discussions with the banks in order to identify the aspects of the Keane report which could make a difference in the context of the immediate solution that is required. Those discussions are ongoing.

I do not believe that the Irish banking system possesses either the personnel or the capacity to deal with this matter at present. I recently met a very practical individual who was previously involved with bank restructuring in the UK banking market. After its collapse in the mid to late 1980s, the issue of negative equity in the south of England was addressed over a period of five years. The individual in question stated that solving the problem was not rocket science. It requires debt to be written down, the term of the debt to be extended and a change in mindset in the banks to ensure they have the capacity to address the problem. The personnel in our banks do not have the capacity to deal with the problem because they remain in denial and have been traumatised by the crash they caused. As I stated previously in the House, our bankers do not have the capacity to understand where the problems are in their communities. They need to understand banking all over again. Without a change of mindset in terms of personnel and expertise in the banks and without having in place codes such as the mortgage arrears resolution process, MARP, we will not make progress. If we are to address the issue, we require a complete change of attitude and mindset in the banking system, both in covered and non-covered institutions.

On the specific issues raised, the Leader of the Opposition, Senator Darragh O'Brien, made a sensible point that when the Opposition proposed good ideas, the Government should be minded to support them and work with the Opposition. That is a position I share and where the Government has not done so, we should have done so. We want to act on a cross-party basis to secure agreement on this issue. I concur with the Senator that we cannot wait until the budget. He will have heard remarks I made to colleagues on that issue.

Senator Fidelma Healy Eames also referred to the banks. She is correct that the losses have been provided for in recapitalisation. The response to the stress test published in March provided the banks with the capacity to move this matter on. The dilemma we face is that as one takes money from the system, it must be replaced with more money. We have placed great store on the two pillar banks in providing a functioning banking system. They have given us a commitment that, in the lifetime of the recapitalisation, at least €3 billion per annum will be invested in the economy, including through mortgage financing. We have an obligation to ensure they hit this target, sector by sector and quarter by quarter. Evidence has emerged, however, that it is not being met. This is a key issue and one the banking unit of the Department of Finance is constantly taking up with the banks. We will follow up on it.

Senator Katherine Zappone raised a fundamental issue, namely, the need to take a holistic approach to the issue of personal debt. The problem we face is not confined to mortgages but extends to credit cards, car loans and the totality of debt. A considerable amount of non-

[Deputy Brian Hayes.]

mortgage debt is relatively unguaranteed compared to mortgage debt. The Senator is correct that those who find themselves affected by the chronic mortgage debt crisis are the same group who have considerable debts hanging over their heads in a range of other loans. A middle agency needs to be established. The report is clear in this respect, but the Government, through the Department of Social Protection, the Department of Finance and a number of other Departments, has yet to work out what is the best option. We need an agency which will work out a plan for each individual. Some of the banks are relatively good at doing this, for example, Ulster Bank is employing companies to work out new restructured plans on a client by client basis. The question is how to establish such a mechanism on a statutory basis within a new agency. To be honest with the Senator, this must still be worked out. Throwing 100 advisers at the problem may not solve it.

If I contact my bank in an effort to restructure my mortgage and it produces what it perceives to be a solution, where do I go if, having provided the bank with all the relevant documentation, I disagree with the proposed solution, given that we do not have an appeals mechanism in place? Should I take the matter to the appeals board which is currently in a bank? We need an independent agency to perform this role.

**Senator Darragh O'Brien:** A debt settlement agency.

**Deputy Brian Hayes:** One can call it what one likes. Its role must be to examine the facts and determine what is fair in each case. The Government is still working this out. If I had the solution tonight, I would give Senator Katherine Zappone the details, but we do not yet have such a solution. I accept her point, however, that the issue is the totality of the debt and it is crucial that the unguaranteed element of the debt is not excluded.

Senator Aideen Hayden is correct that a substantial tax subsidy has been provided to enable people to buy their own homes. This includes first-time buyer's grants, mortgage interest protection, tenant purchase schemes and so forth. It is also the case that higher interest rates applied in the past, for example, in the early 1990s interest rates reached 17% or 18%, albeit for a short period. This issue forms part of the Government's assessment.

The Government is examining whether a third banking force is needed. The programme for Government includes a commitment that we will assess this question and the assessment is working its way through the Department. The Minister for Public Expenditure and Reform, Deputy Brendan Howlin, is taking a particular interest in the matter. Do we need a new force to start lending again in the Irish market? I concur with Senator Aideen Hayden's view that the housing market is highly dysfunctional. The Government will consider any proposals in this regard. I noted the Senator's comments about mortgage-to-rent schemes, under which banks would be allowed to keep a portion of homes and consider the possibility of introducing split mortgages. It appears from the Keane report that we do not have a means of forgiving the interest portion of the mortgage. This is a problem. As other Senators noted, the only pilot scheme was launched by the Minister of State with responsibility for housing, Deputy Willie Penrose, last week. Given the complexity of the issue, many of the relevant details will have to be worked out as the scheme progresses.

Senator Marc MacSharry made a passionate speech in which he proposed a radical step. While I agree with him in many respects, it may be the case that a number of small radical steps, rather than one large one, will be needed if we are to meet current requirements. I agree with Senator Deirdre Clune's comments on personal insolvency.

Senator Jillian van Turnhout asked whether, in the case of mortgage-to-rent schemes, debts would be written off by the bank or with other owners. I will revert to the Senator on that issue. She also asked a fundamental question on the risk to a housing association if it were asked, through one of these schemes, to take on, if one likes, a house and the debt pertaining

to it. We cannot approach this issue in a draconian fashion. Our approach must be based on proper consultation with the housing associations, as the Senator correctly noted. Housing associations may well be in a better position than housing authorities because they are, in many respects, more imaginative in the measures they can take. I was a member of South Dublin County Council many years ago. The shared ownership scheme, under which a portion of the house is owned by the local authority with the remainder owned by the person concerned, is a classic example of an approach that works.

I concur with Senator John Kelly on reckless lending in the sub-prime market. I will raise with the Department of Finance his interesting observation that where a guarantor is in place, the guarantee remains valid. I have not heard that before. On the Money Advice and Budgeting Service, although three Departments are still trying to work this out, it is part and parcel of our implementation strategy. I took a note of Jim D'Arcy's comments on the Minister of State's pilot scheme.

Speaking in the round, the issue before us will not go away. It is the Government's firm resolve to produce an implementation strategy soon, one which will ensure people can remain in their homes, set out the options available to individuals and take a much more aggressive position on the banking system. Senators will have heard the views of the Central Bank and the Financial Regulator, Mr. Matthew Elderfield, on this issue. I agree with them. The discussions taking place between the banking unit in the Department of Finance and the banks should not be underestimated. We can get to a better place only if there is a worked-out agreement across the State and through the banking system that will get people out of the appalling situations in which they have been placed. That is the resolve of the Government. The support of this House and its Members in achieving that objective is much appreciated.

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

**Senator Maurice Cummins:** Ag leath-uair taréis a deich, maidin amárach.

### **Adjournment Matters.**

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#### **Inshore Fisheries**

**Senator Mary Moran:** I welcome the Minister of State, Deputy McEntee, to the Seanad to address this Adjournment matter. I also welcome and pay tribute to Ms Karen Dubsky and members of Coastwatch who supplied me with background to this issue.

Regarding the recent opening of shellfish harvesting in Dundalk Bay, a Natura 2000 site, can the Minister of State provide detail on any quality issues encountered in exporting cockles from that site this season? The first batch exported apparently was black, and was rejected. This does not look favourable for us when we are trying to build up a good reputation. It raises questions about quality control. The general public and those fishing should be made aware of such matters. I ask that full records on the amount of cockles taken per week so far this season be made available to us. This is needed to keep the public informed on the number of boats and the fishing effort in the bay, a Natura 2000 site, which take from what is a commonage resource.

I urge the Minister of State to control razorshell dredging in this protected site, in particular because the Marine Institute's annual stockbook of 2010 highlighted the fact razorshell dredging has had a high impact and should be controlled. The largest razorshell beds in the country lie off the coast between counties Dublin and Louth and into Dundalk Bay. Razorshell fishing, as now carried out, is highly damaging because it hovers up the seabed. The traditional alternative of hand-raking and diving, which has minimal impact, is not seen as worthwhile as there is no eco-label to highlight sustainable fishing. However, with the reform of fisheries, that

[Senator Mary Moran.]

should eventually happen. We should not wreck the stocks, therefore, but should seek to build up local markets and tourism for high-value mixed fisheries that can be fished in a sustainable manner. As with cockles, the public has a right to know about its commonage and how same is being managed by our Government.

On the halting of the hand-picking of cockles for home consumption, I ask the Minister of State to consider the wording of the regulation, which states that only people with a licence are entitled to pick cockles for home consumption. However, only 20 licences are available. Furthermore, these licences were available only until 30 September. From that date, no member of the public has been entitled to pick cockles for home consumption, a fact concerning which the majority of the public is not aware.

**Minister of State at the Department of Agriculture, Food and the Marine (Deputy Shane McEntee):** I thank the Senator for bringing up this matter. I live not too far from Dundalk and have had one representation on this matter. If there are questions I cannot answer today I shall reply in writing to the Senator.

The European Communities (Habitats and Birds) (Sea-Fisheries) Regulations 2009 — S.I. No. 346 of 2009 as amended by S.I. No. 397 of 2010 — were enacted to provide a statutory process for the assessment of fishing activities in areas protected by the EU birds and habitats directives. Dundalk Bay is the subject of a Natura 2000 designation under these directives and as a result its cockle dredging activities underwent appropriate assessment. A draft five year fishing plan for Dundalk Bay, prepared by Bord Iascaigh Mhara on behalf of the Dundalk Bay fishing industry, was submitted to my Department on 9 June 2011. In keeping with the aforementioned regulations, the plan was appropriately assessed by the Marine Institute in accordance with the requirements of the EU birds and habitats directives and with guidance from the National Parks and Wildlife Service. The appropriate assessment concluded that brown shrimp, scallop, lobster and crab fisheries can proceed as proposed in the plan while cockle and razor clam fisheries can proceed under certain conditions. It concluded that fishing for mussels should not proceed as there was insufficient information available to conclude that it would not have an impact on the site.

A one-month statutory consultation was undertaken with views received from environmental non-governmental organisations, the general public and statutory consultees. Following on from this, the *ad hoc*, non-statutory, technical advisory committee was convened on 17 August 2011 to advise the Minister on the fishery Natura plan, the appropriate assessment and submissions received during the consultation period. The committee comprised representatives from the environmental pillar and representatives of the local fishing sector. It also included representatives from the Department, the Sea-Fisheries Protection Authority, the Marine Institute and BIM. The committee did not reach a consensus. However, the views of the committee were submitted to the Minister, Deputy Coveney, together with the draft plan, the appropriate assessment and the results of the consultation process on 31 August 2011.

Having considered all of the information provided, the Minister finalised the fishery Natura plan for Dundalk Bay on 2 September 2011, confirming a total allowable catch, TAC, of 510 tonnes of cockles in 2011. Going on the experience of previous years and the current market price for cockles, it was clear that demand for access to the cockle fishing in 2011 would be high. The biomass of cockles in Dundalk Bay is quite variable from year to year, so the TAC, which is set at 33% of the biomass, also varies from year to year. The Minister also signed Fisheries Natura Declaration No. 2 of 2011 (Dundalk Bay) on 2 September 2011, restricting cockle fishing in Dundalk Bay to permit holders only. The plan and declaration were made for the purpose of ensuring that the cockle fishery is consistent with the conservation objectives for these protected Natura 2000 sites. This is absolutely necessary for Ireland to comply with

its obligations under the EU habitats and birds directives and to comply with a judgment of the European Court of Justice against Ireland.

The restriction on fishing for cockles by permit only, accompanied by a call for applications for permits, was advertised nationally in the *Irish Independent* on Tuesday, 6 September 2011. The call for applications applied to vessel owners and hand gatherers. The call was also published online at the website *fishingnet.ie*. Fishing under permits for hand gathering ended on 30 September. This restriction was adopted on the advice of the Marine Institute. The restriction is intended to protect migratory wading birds from disturbance by the hand gathering activities on shore as the migratory wading birds arrive on our shores at this time of year. The hand gathering activities took place during low tide on the shoreline and the protection of migratory wading birds is required for this site under the terms of the birds directive.

The harvesting figures for cockles, which have been collected to date by BIM in compliance with the declaration, are as follows: for the period 15 to 16 September, it was 7.3 tonnes; for the period 23 to 30 September, it was 72.4 tonnes; for the period 1 to 7 October, it was 66.56 tonnes; and for the period 8 to 14 October, it was 41.15 tonnes. Figures have not been compiled to date for the period 15 to 21 October. Regarding the Senator's question on the quality of the cockles, I draw to the Senator's attention that Ireland has a shellfish safety monitoring programme in place to protect consumers' health. The programme ensures that shellfish containing biotoxins are not harvested and placed on the market. Biotoxins are naturally produced by phytoplankton in seawater. I am advised by the Marine Institute that samples from Dundalk Bay have tested negative for biotoxins, the most recent sample having been taken on 13 October.

In addition, the institute tests samples to monitor the bacteriological and viral contamination of bivalve shellfish as part of the routine monitoring programme to classify shellfish harvesting areas. Sampling and classification is conducted by the SFPA based on the analysis provided by the Marine Institute's laboratory. Dundalk Bay is classified as category B for cockles. Areas classified as such are those areas from which live bivalve molluscs may be collected and placed on the market for human consumption only after treatment in a purification centre or after relaying so as to meet required health standards.

With regard to razor clam fishing, as for all fisheries, a decision on a fisheries plan can only be made on each site based on the appropriate assessment for that site. For Dundalk Bay, the appropriate assessment concluded that the present level of razor fishing will not have significant impacts on the conservation objectives for the site. The assessment was based on a substantive body of scientific data. The assessment recommended that the level of razor fishing should be monitored and if a significant escalation is observed, that further appropriate assessment be conducted. Through the Natura declaration, long-term arrangements have been put in place for the ongoing monitoring of razor fishing activity. Similar arrangements are also in place for brown shrimp. I am satisfied that the fishing activities in Dundalk Bay have been subject to full and appropriate assessment and are being undertaken in an environmentally sensitive manner, fully in compliance with the EU birds and habitat directives.

**Senator Mary Moran:** I thank the Minister of State for taking this debate. Will the Minister of State ask the Minister, Deputy Coveney, to draft a new policy of inshore shellfish harvesting? The Dutch and Spanish have led the way in this area and this should be prioritised for protected sites such as that in Dundalk Bay. Will the Minister consider inviting representatives of the Dutch and Spanish Governments to explain their new policy of inshore shellfish harvesting in protected sites as I understand that this sets out to maximise employment and cause minimum environmental impact?

**An Cathaoirleach:** There is only provision for a brief question.

**Senator Mary Moran:** Will the Minister give a clear public view of the statistics, etc.?

**Deputy Shane McEntee:** I will revert to the Minister and ask him to have a look at this. I know how beautiful Dundalk bay is and nobody would like to see anything going wrong in the area. I will revert to the Deputy in writing with answers to the questions.

### **Fur Farming**

**Senator Brian Ó Domhnaill:** This matter relates to the fur farming industry in Ireland and I am glad to see the Minister of State, Deputy McEntee, in the Chamber to take the matter, which is a burning issue in my own area. There are five fur farms nationally, with two of them from my part of the country.

Fur farms last year exported 200,000 mink pelts to the value of €7.5 million, produced from local raw materials. The Irish fur farming industry receives no subsidies either from the EU or the Government. There are currently five fur farms, with three located in Gaeltacht areas and two in my own area. These farms are a natural and important part of the agricultural sector and contribute to maintaining vibrant rural communities. In these areas there are few alternative opportunities of employment available, and total employment created directly from the five fur farms is 80 jobs, with a spin-off of at least another 80 jobs from food, transport, engineering, refrigeration and construction works. Last year €1.6 million was spent in direct wages between the five fur farms and as an example, one farm in my area spends €35,000 per month on electricity to keep the freezers going. That is over €400,000 per year.

Consumption of by-products is an additional benefit. The farms are valuable purchasers of animal by-products, with the fur farms in Ireland receiving approximately 2,000 tonnes of fish offal and 7,000 tonnes of poultry, pork, cattle and sheep by-products from Irish processing plants. These processing plants can make cost savings on not having to pay rendering charges.

Farmed fur animals are not wild and like any other farmed species, they differ markedly from the wild strain of the species. These cannot be kept successfully in domestic conditions. There is EU legislation dealing with fur farming, particularly the manner in which they are kept, and mink farms have been in operation within Europe for over 150 years. The Irish Fur Breeders Association is a member of the European Fur Breeders Association, an umbrella organisation for fur breeders in 21 European countries. The European Fur Breeders Association has introduced its own code of practice for the care and handling of farmed mink, fitch and fox, which completely reflects the recommendations of the Council of Europe. All members of the European Fur Breeders Association have adopted this code of practice. Animal welfare is paramount at national as well as EU level and fur producers here have the greatest interest in the well-being of their animals. Veterinary inspectors from the Department of Agriculture, Food and the Marine, as the Minister will know, make regular and unannounced visits to Irish fur farms.

Currently in Europe there are 7,200 fur farms operating, with an annual production of 31 million fur pelts, almost 58% of world production. What the fur farming industry needs is an assurance that it will be allowed to continue. The former Government, led by the Green Party, was seeking to have fur farming banned in this country by way of not renewing licences. To take an example, the licence of one fur farm in my constituency, and by extension all the other fur farms, will run out in June of next year. The farm requires forward planning because the owners must buy in raw material such as food for the mink. In addition, they must reinvest to develop their own business model. They cannot do that without a guarantee that they will have a licence after next June.

The headline figure for employment in the fur farming industry is 80 jobs provided directly and an additional 80 indirectly. That is 160 jobs. The State currently has a production capacity of €7.5 million and this is growing at a fast pace. Given the current economic climate, it would

be foolish for any Government not to renew licences. While the Green Party may have its own view on fur farming, I can assure the Minister that it does form part of the agricultural development of the country and meets all the standards laid down by veterinary officers in the Department of Agriculture, Food and the Marine. The five fur farms in Ireland are highly compliant and meet all the required standards. I hope a pragmatic approach will be taken in renewing these licences and providing continuity for the industry.

If the Minister of State is not in a position to give a favourable response tonight, although I hope he will be, I ask that either he or the Minister, Deputy Coveney, meet the representative body of the industry in the next week to ten days, if at all possible, to provide reassurance and a direction to those in the industry.

**Deputy Shane McEntee:** I thank the Senator. We seem to be meeting up all the time when I come to the Seanad. Like myself, he is from the rural end of Ireland and it is crucial that we protect our way of life there. If I do not give the Senator the blunt answer he requires, I ask him to approach me again. I am aware there are deadlines and I know exactly what the Senator is saying about people planning their future. We might have to push things a bit further.

My Department is responsible for the licensing of mink farming in Ireland under the Musk Rats Act 1933 and the Musk Rats Act 1933 (Application to Mink) Order 1965, which prohibits the keeping of mink except under licences issued by my Department. Licences, which are usually issued for three years, are issued only if the applicant is found to be compliant with a number of key conditions following an inspection by officers from my Department. These conditions include a requirement that mink farmers take adequate measures to prevent the escape of the mink from their premises. Licence requirements include a provision that mink shall be kept only at the premises specified in the licence and must be kept in cages or other containers to prevent their escape. All buildings or enclosures where mink are housed must be bounded by a guard fence built to prevent their escape. Mink farmers are also obliged to ensure that trees, shrubs or undergrowth do not grow in such a position in relation to boundary fences that they would facilitate the escape of mink. Any holes or drainage channels must also be effectively blocked.

There are five licensed mink farms in Ireland. All five licences expire in the course of 2012. Between them, the mink farmers farm an estimated 225,000 mink. The industry claims to be responsible, as the Senator said, for 80 jobs directly. Mink farmers do not receive any State or EU support for their farming activity.

I am aware that fur farming is a significant agricultural activity in many European countries, notably Denmark, Finland and the Netherlands. The European Fur Breeders' Association, which represents breeders' associations in 15 countries, estimates that there are 7,200 fur farmers in EU member states, who are responsible for 64% of worldwide mink fur production. The association estimates that the fur sector creates up to 60,000 full-time jobs in Europe and that the value of EU-farmed fur came to €1.5 billion in 2010. It also points out that the industry provides an efficient use for more than 1 million tonnes of animal by-products each year from the fishing and meat industries.

I am aware that although the farming of mink is carried out in many European countries, there is a body of opinion which believes that a ban on the farming of animals such as mink for their fur should be introduced on ethical grounds. I am currently in the process of having a new animal health and welfare Bill drafted in line with the commitment in the programme for Government. Work on drafting this legislation is already under way in consultation with the Office of the Parliamentary Counsel. The Bill is a complex one but when drafting is concluded, it is my intention to publish the Bill. I have been considering the future of mink farming in the context of that process. I am conscious that mink farmers have a critical interest in the

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outcome. The Minister, Deputy Coveney, has established a group within my Department to review all aspects of fur farming and I expect this review to be completed shortly.

In giving consideration to future of mink farming, I am conscious of the concern felt in some quarters about the ethics of raising mink for the manufacture of fur. I am also taking into account the fact that the mink farmers licensed by my Department have been engaged in this legitimate activity as their source of livelihood for many years and that the industry claims to be responsible for 80 jobs and generates export revenue from the sale of fur pelts.

The slaughtering of mink takes place on the farms and is subject to the provisions of European legislation at the time of slaughter. Inspections by my Department have confirmed that the methods used by Irish fur farms are in compliance with the aforementioned legislation. The Irish fur industry is fully aware of animal welfare requirements and it has displayed a willingness to comply with the requirements of my Department with regard to the keeping and slaughtering of mink.

**Senator Brian Ó Domhnaill:** I thank the Minister of State. I fully appreciate his point of view, but the difficulty the industry is facing at the moment is that the operators do not know whether they will have a future. They need to know one way or another because they wish to invest in their farms to build the industry up to the level they desire. If they invest in raw materials over the winter, when they are available, they could be left with those raw materials next year. I ask the Minister of State to consider this and to meet fur farming representatives in the next couple of weeks, if possible, to hear their views and give them a clear picture of what the future holds for the industry. It is important and it would be appreciated by the fur farming sector.

**Deputy Shane McEntee:** I know exactly where the Senator is coming from. I will say it directly to the senior Minister tomorrow and if he is not in a position to meet the industry representatives I will give a commitment to meet them on the Senator's behalf. I will go up to Donegal. I make no apologies; I will do it. It is crucial that we have that meeting and that the fur farmers get the guarantees they are looking for.

### Vocational Education Committees

**Senator Kathryn Reilly:** I welcome the Minister of State, Deputy Cannon, to the House and thank him for taking this matter on the Adjournment. This is an important issue which has become more so in recent weeks since the announcement of the decision on the locations of VEC headquarters.

Having spoken to managers, tutors and administrative staff who work in VECs, I have found the general reaction, not just to the amalgamations but also to the decisions on the location of VEC headquarters, has been that it may cause more trouble and cost more money than it is worth. The biggest grievance I have heard is that there is a complete lack of transparency in the decision-making process, especially with regard to the criteria used for the decisions on the locations of headquarters.

What criteria were used in deciding on the location of the VEC headquarters, or were the criteria decided retrospectively after decisions had been taken? Most important, who made the decisions? I know the ultimate responsibility rests with the Minister but I would like to find out, if possible, what advice was relayed to him and on what basis. Such big decisions and actions garner public acceptance not through secrecy and shady dealings but through transparency.

We all know that no VECs do things in the same way. It will be some time before any merger will result in a smooth operation. The current angst over the criteria and the headquartering decision will make this merger process even more difficult.

The an bord snip nua report recommended the number of VECs be cut from 33 to 22. The previous Government decided to go further and cut them by more than half. The four VECs that will remain without change are Donegal, Cork city and county and Dublin city. At the time of the announcement, questions were raised about the decision to retain those VECs, particularly Donegal's and the fact the then Minister was from that county. Calls were made for the release of information on that decision to ensure transparency.

The yardstick by which the success of the VEC amalgamation programme will be measured is whether the new structures will enhance educational opportunities and provision. However, the amalgamation of Cavan and Monaghan VECs raises some concerns. The decision to put the headquarters in Monaghan is strange, considering the education campus has not yet been built and its planning application contains no reference to a VEC headquarters. Cavan VEC already is leading in ICT infrastructure and the deployment of technology in supporting three non-VEC schools in the county.

I am not in the business of playing counties off each other as such parochialism only leads to trouble. However, there is a great deal of uncertainty surrounding the amalgamation process in Cavan and Monaghan, particularly the headquartering decision. If there were greater transparency around how these decisions were made, it would reduce the tensions that exist.

How does the Minister envisage maintaining excellence and good practice while engaging in this rationalisation? Where will savings be made, particularly considering the cost of building new facilities and rebranding costs? How has the amalgamation process fed into the comprehensive spending review? Will the Minister publish the cost-benefit analysis of this process? We need to have more information on the number of students and schools in each VEC. This would assist in understanding some of the decisions made in certain amalgamations. In the absence of transparency, the process will not be easy. There are outstanding issues surrounding criteria used in the process and costs. These need to be addressed before drafting any enabling legislation.

Restructuring should not be introduced to save costs or reduce the number of VECs. The purpose should be to realign the VECs in a manner that addresses the weaknesses in the system and results in a properly resourced system that meets the needs of teachers, students, staff and parents. Was there any dialogue between the committees and stakeholders in the amalgamation process?

**Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon):** I am taking this Adjournment matter on behalf of my colleague, the Minister for Education and Skills.

I welcome the opportunity to outline to the House the decision taken by the Minister in early October on the location of the headquarters of the new education and training boards following the Government's decision to revise the configuration of VECs. In January 2011, the Department invited submissions from all of existing VECs on possible headquarter locations when the mergers took place. To facilitate submissions, the Department gave the following guidance to VECs:

While a number of considerations may come into play a fundamental requirement will be the need to ensure that the location of a VEC headquarters will, to the greatest extent possible, facilitate the distance requirements under which staff to be redeployed to that location can be redeployed under a redeployment scheme, allied to the need to operate at lowest cost having regard to the accommodation available in existing locations.

The key criteria of redeployment and cost-effective accommodation solutions continued to be dominant in considering the locations that were finally determined by the Minister. However, as the commercial property market is likely to remain weak for the foreseeable future, the likeli-

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hood of achieving savings that might defray any costs incurred in consolidating into one single headquarters became less significant for the short to medium term.

It would be difficult to accurately predict the costs or savings which will arise from any one particular merger or relocation, given the range of options to be considered with regard to use or disposal of existing property interests in those locations which have not been selected as either a head office or a sub-office.

Any costs in property acquisition, upgrading or refurbishment which may be required at those locations which have been selected as head offices will also have to be taken into account. The VECs involved and the new merged bodies when established, in conjunction with departmental officials, will work through these details in the coming period. Since some of the likely savings from the restructuring of the VECs, including the relocation of headquarter functions, will come from the sale of some existing VEC buildings, these may not be realised in the short term.

The potential revenue to be raised from the sale of these assets is closely linked to the current state of the property market. It may not be possible to dispose of such properties satisfactorily in the short term and we must proceed in such a manner that does not give rise to new or additional costs in a manner that prejudices realising the savings that are targeted.

The special group on public service numbers and expenditure programmes suggested savings of €3 million could be realised. The reconfiguration to 16 VECs can, over time, yield such savings in the recurrent cost of the headquarter functions of VECs which, at present, is €40 million in total.

I thank Senator Reilly for affording me the opportunity to respond to the House on this matter.

**Senator Kathryn Reilly:** We have been advised by a departmental official that Cavan and Monaghan VECs were tied in the amalgamation process until the decision was made for a new education campus in Monaghan. The current plans for this campus do not even include a VEC. Will the Minister provide information as to the criteria used in the amalgamation? What were the two VECs tied on? Cavan was leaps and bounds ahead——

**An Cathaoirleach:** Does the Senator have a question?

**Senator Kathryn Reilly:** Is there more detailed information about the criteria used rather than this quote about the advice to the VECs? Was the criteria uniform for all VECs or were there differences by location?

**Deputy Ciarán Cannon:** Senator Reilly earlier said no two VECs do things in the same way. This was acknowledged by those involved in advising the Minister on final headquarter locations when this amalgamation process began. While there were many different factors playing into each decision in each geographical area, the overriding considerations were the need to facilitate the staff to be redeployed and the need to operate at lowest cost having regard to the accommodation available in existing locations. I am not aware of the minutiae of the final elements of the decisions made in Cavan-Monaghan or elsewhere. I assure the Senator that each area was forensically analysed and the Minister, Deputy Quinn, is more than happy to stand over the decision taken on the location of the headquarters. I have no doubt that when the amalgamation process is complete the decisions taken now will prove to have been correct.

### **Garda Stations**

**Senator Denis O'Donovan:** This motion, with regard to Kilbrittain Garda station, speaks for itself. A review of many rural Garda stations is being conducted by the Department of Justice

and Equality. Kilbriain Garda station has been earmarked as possibly being one of the 200 rural stations which may very well close. This issue has come to the attention of the public in west Cork and meetings have been held. Yesterday, I attended a public meeting attended by 300 people including representatives of various groups, including those representing the elderly, community alert and neighbourhood watch groups, the West Cork Community Partnership and many others. They are concerned that if Kilbriain Garda station closes, other stations in the constituency such as those in Goleen, Ballydehob, Adrigole, Kealkil, Drinagh and Ballyfeard may very well be for the chop.

I am not a carrier of doom and gloom policy but I am concerned about some of these areas, particularly Kealkil, Adrigole and Goleen, about which I had to make very strong representations in the past to ensure when the garda retired that the local station remained open. One can make the point that it is not the stations which are at issue but the gardaí, but I have always advocated the importance of a garda living in a local community. I criticised the previous Minister because none of the eight gardaí at a particular station in West Cork, which shall remain nameless, lived in the town or community. This was regrettable. Last night, it was stated that the local garda in Kilbriain actively works in the community. Approximately two years ago, unfortunately a woman was kidnapped and murdered in the Kilbriain area. Thanks to good detective work by the station in Bandon the culprit was apprehended and is now serving a prison sentence.

I come from Kilcrohane on the Sheep's Head Peninsula in a very rural constituency and we are concerned the closure of rural Garda stations is penny wise and pound foolish. In some cases it has been shown that approximately €3,000 per year will maintain a station. I am concerned about cutbacks in rural Ireland. Previously, I criticised my party in government for closing local post offices. I know these are very difficult times but Garda stations serving very peripheral areas such as Goleen, Kealkil and Kilbriain should be maintained.

The Minister of State is aware that one of the greatest drug hauls made in the State was off Mizen Head and it received wide publicity. The launch of the culprits came from a little pier in my home village of Kilcrohane. Were it not for the fact that at dawn that day the people involved put diesel into a petrol engine they probably would have got away with it. For ten years I have been making the point that drugs come through areas such as west Cork. In other instances drugs were dropped off in Schull and other areas. Local vigilance is very important and a local garda in conjunction with community alert and neighbourhood watch groups can be very effective. I urge the Government to be very careful when making decisions on closing Garda stations.

Last night at the meeting, Superintendent MacEoin stated that as far as he was aware no decision had been taken on any station. The community in Kilbriain is very proactive and is not taking the risk of waiting until the horse has bolted to close the stable door.

**Deputy Ciarán Cannon:** The Minister for Justice, Equality and Defence, Deputy Alan Shatter, has asked me to thank Senator O'Donovan for raising this matter. It provides the Minister with an opportunity to clarify the position on this important topic which the Senator has highlighted.

Before I continue, I know the House will join me, on behalf of the Minister, in expressing our deepest sympathies to the family, colleagues and friends of Garda Ciaran Jones. Garda Jones was swept away while helping members of the public under the most hazardous of conditions yesterday evening in County Wicklow. His courageous actions were in the finest tradition of the Garda Síochána.

It is important that the matter raised by Senator O'Donovan is put into context. The House will be aware that, under plans agreed by the previous Government as part of its compliance

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with the terms of the EU-IMF agreement, Garda numbers are to be reduced to 13,500 by the end of this year and by a further 500 to 13,000 by 2014.

However, what will ultimately determine the sustainable level of Garda numbers is the level of budgetary provision that can be made for the force in the coming years, and the House will be conscious that difficult decisions will have to be made throughout the public sector to bring our public finances back into balance.

This means the Garda Síochána, like every other public sector body, will have to manage with reduced resources. Therefore, the Garda Commissioner is reviewing all aspects of current policing, including the deployment of personnel, the utilisation of modern technologies and the operation of Garda stations.

It is important to state that no decision has been taken on the closure of any Garda station. What is equally important is that a reduction in public opening hours in some Garda stations, and the closure of other Garda stations, will be issues that the Garda Commissioner will have to address as part of the review. He may well have to consider whether, in appropriate cases, a better policing service could be delivered to a local community by having Garda members out on patrol rather than in a station.

The Minister will very carefully consider the outcome of this review and the Commissioner's policing plan for next year with the objective of ensuring that priority is given to the maintenance of frontline services. At the same time, the Minister can assure the Senator and the House that it is a priority for the Government to maintain Garda frontline services at the highest level possible.

On behalf of the Minister, I pay tribute to the Garda Síochána, at this particularly difficult time, for the commitment and the professionalism its members display in carrying out their duties. The Minister is confident that the Garda force will continue to maintain the confidence of the public and operate successfully as it has been doing so effectively since the foundation of the State.

**Senator Denis O'Donovan:** I concur with the Minister of State in conveying the sympathies of this side of the House on the regrettable tragedy that occurred in Wicklow last night where, in the course of his civic responsibility to help others, a very young off-duty garda was lost. As somebody with huge respect for the gardaí and with family members in the force I concur with the Minister of State in this regard.

I am not absolutely clear on the intent of the Minister from the response but I thank the Minister of State for coming to the House and for putting the matter into perspective. I will convey the response to the people in the community of Kilbriain. I hope when the matter is being considered that each Garda station will be judged on its merits.

I feel very strongly on the importance of gardaí living in the community and I ask the Minister of State to take this point to the Minister, Deputy Shatter, and perhaps, directly or indirectly, to the Garda Commissioner. Last night, I specifically inquired and discovered that none of the eight gardaí at the station I mentioned earlier live in the vicinity of the town. Whether he or she is involved in the local GAA club, goes to church or meets people day to day, the presence of a garda, whether on duty or off duty, is critical to a community.

The Seanad adjourned at 8.20 p.m. until 10.30 a.m. on Wednesday, 26 October 2011.