



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Déardaoin, 28 Samhain 2013

Thursday, 28 November 2013

Chuaigh an Leas-Cheann Comhairle i gceannas ar 9.30 a.m.

*Paidir.
Prayer.*

Ceisteanna - Questions

Priority Questions

Youth Guarantee

1. **Deputy Willie O’Dea** asked the Minister for Social Protection the number of training or education places that will be set aside next year as part of the youth guarantee for young persons who are out of work; the number of young persons who will qualify for the youth guarantee scheme at this time; the ratio of her Department case officers to the number of unemployed persons currently; and if she will make a statement on the matter. [50875/13]

Deputy Willie O’Dea: I am trying to ascertain whether the Government is committed to introducing a full blown youth guarantee scheme in this country whereby everybody who is not more than four months unemployed will be entitled to either a job or a place in training or education and when will the scheme be in place. I am also trying to ascertain whether the ratio of caseworkers to unemployed people has changed since we previously asked questions in the House when the Minister indicated it would change.

Deputy Joan Burton: I did not get the first part of the second question.

Deputy Willie O’Dea: On the previous occasion the Minister answered questions in the House she indicated the ratio of caseworkers to unemployed people would change and I would like an update.

Minister for Social Protection (Deputy Joan Burton): During its recent Presidency of the European Union, Ireland prioritised the provision of the EU recommendation on the provision of a youth guarantee under which every young person should be guaranteed an offer of

employment, training or further education within a target period of four months of becoming unemployed. Ireland also took the lead in discussions which led to the provision of a €6 billion EU spending provision which is to be front-loaded to cover programmes undertaken in the first two years of the multi-year financial framework, in 2014 and 2015. Ireland took this approach because it is acutely aware that persistently high levels of youth unemployment have a prolonged and disproportionate impact on the lifetime productivity and earnings of the young people concerned. We are in the process of developing a national implementation plan for a youth guarantee in Ireland and expect to forward this plan to the European Commission by the end of the year. The position in Ireland is that approximately 35,500 young people who registered for unemployment payments in 2012 remained wholly unemployed for four months or more, the threshold referred to in the EU recommendation on a youth guarantee. A significant number of young people also leave the register in the fifth or sixth month of unemployment. Trends in 2013 to date suggest the number of new registrants crossing the four month threshold will fall to about 31,000 for the full year. Data included in the most recent quarterly national household survey published by the CSO a few days ago are also encouraging. These showed the rate of youth unemployment, covering those aged 15 to 24 years, decreased from more than 31% to 26.5% over the year to the end of quarter 3 of this year.

I will answer the Deputy's second question as a supplementary.

Additional information not given on the floor of the House

Places on activation programmes are not generally reserved for a specific age group. Expected take-up by unemployed young people on programmes offering full-time opportunities is expected to be in excess of 27,500 next year. The programmes involved are JobBridge, Tús, community employment and Gateway, JobsPlus, the back to work enterprise allowance, FÁS and SOLAS training for the unemployed, Youthreach and community training centres, MOMENTUM, the back to education allowance, the vocational training opportunities scheme and initiatives related to entrepreneurship and international work experience under consideration in the context of the youth guarantee. These figures do not include young people progressing in the normal way through initial training such as apprenticeships, post-leaving certificate courses and vocationally oriented third level courses, all of which contribute to a guarantee of places for young people leaving second level education.

Deputy Willie O'Dea: I thank the Minister for the reply but I do not know whether I am any the wiser. Perhaps when I read the record and see what has not been said, I will know. As the Minister well knows, the pledge of €6 billion by the European Union, welcome though it may be, is regarded as totally inadequate. Taking a pledge of €6 billion over seven years, Ireland will receive a very small amount. It is estimated a properly funded youth guarantee scheme, along the lines of what exists in Sweden, under which the four-month criterion is met, would cost anything between €300 million and €400 million. My second question to the Minister is whether the Government is prepared to commit the resources, together with what it receives from the EU, to increase the figure to whatever it costs to provide a fully blown youth guarantee scheme to everybody who is unemployed for a period of at least four months and when will the scheme be in place.

Deputy Joan Burton: In reply to the second part of the Deputy's first question, there are approximately 300 employment service officers and advisers. This means the ratio of the 315,000 full-time live registrants to employment service officers is just over 1000:1. The good news is a further 300 staff are being re-assigned to these roles as I speak, which will reduce the ratio

by half in the absence of any change in the numbers on the live register. As Deputy O'Dea is aware, numbers on the live register are decreasing and the numbers at work for the quarter ended September last increased by 58,000, which when compared with the loss of 300,000 jobs which took place under Fianna Fáil after the guarantee, is a recovery and a turnaround.

Deputy Willie O'Dea: When will the youth guarantee scheme be in place? Answer the question.

Deputy Joan Burton: With regard to the funds allocated in the context of the youth guarantee overall, Europe has provided €6 billion. The good news from an Irish point of view is it is calculated countries with high levels of youth unemployment, and we qualify because of the crash I spoke about, will receive €64 million over the two-year period of the front-loading, and the Government will match this. I can go through some of the detail in answer to a further question.

Deputy Willie O'Dea: The total of €64 million over two years is €32 million per year, and the Government has committed €14 million for the first year which, added to the €32 million amounts to €46 million. This is way short of what is required. Will the Minister indicate when a properly functioning youth guarantee scheme will be in place? On the previous occasion we had questions the Minister promised she would reduce the ratio. I thought the ratio was 800:1 but it is more than 1,000:1, which is farcical. Now she will reduce it to 500:1, which again is unworkable. The last day she indicated that this reduction in the ratio was taking place immediately. When is that going to take place? Where are the staff going to come from? There have been indications from the Government that it does not have any budget to employ extra people to do this sort of case work for the unemployed. Will the Minister be taking them from elsewhere in the Department and if so, how will she make up for the deficiencies that will occur there?

Deputy Joan Burton: I will be very happy if the Deputy comes to the opening of the new Intreo office in Limerick before or shortly after Christmas. I am sure he will make himself available to do that. If he does come, he will have a great opportunity to see the new processes and the very good work of the employment services officers.

About 700 were transferred over from the old FÁS employment services to the Department and 1,000 people were transferred from the community welfare service. Those people have much experience from their old jobs of interviewing and dealing with people on a case by case basis. Some of them will also be dealing with employers, because we are going out knocking on doors to get people jobs and tell employers about the very good schemes we have established, like JobsPlus, which is an employer subsidy. That resource is in train at the moment-----

Deputy Willie O'Dea: So they are all being reallocated from within the Department.

Deputy Joan Burton: -----and I look forward to inviting the Deputy to the new Limerick offices.

An Leas-Cheann Comhairle: We are over time. Thank you Minister.

Deputy Joan Burton: The first part of the conversion has almost been completed.

Job Initiatives

2. **Deputy Aengus Ó Snodaigh** asked the Minister for Social Protection the rationale underpinning her decision to prevent the disclosure of the names of companies which have used the JobBridge scheme in view of the significant benefits these companies derive from the work done by interns paid for by her Department; and if in the interests of deterring abuse of the scheme she will make a statement withdrawing the expectation of confidentiality that she has created for the companies involved. [50873/13]

Deputy Aengus Ó Snodaigh: I am trying to get the Minister to indicate why she is refusing to disclose to the public the list of companies availing of the JobBridge internship scheme, which is a State-sponsored scheme. Will she end the expectation that these companies have confidentiality, which is an expectation that she and her Department have created?

Deputy Joan Burton: The JobBridge scheme has made good progress since it came into operation on 1 July 2011. Over 23,000 internship placements have commenced to date, and over 11,000 companies have participated in the scheme. There are currently over 6,400 job-seekers participating on the scheme and over 2,300 posts advertised on the JobBridge website. Independent research indicates that over 60% of interns who finish placements progress into paid employment. These progression outcomes are exceptionally positive and compare very favourably with European averages in this area.

The question of whether the names of host organisations should be published is a matter which has arisen from time to time. I have taken the view that as participation as a host organisation is voluntary and as host organisations receive no payment from the State for their participation in JobBridge, it is not necessary to publish their names and I have decided that their names should not be published. In coming to this view I am informed by the very high progression rates to employment under the JobBridge scheme and am concerned that nothing should be done which might discourage employers from voluntarily offering internship opportunities, and deprive people who are unfortunately unemployed to gain valuable experience and get on the road to becoming fully employed.

A feature of the JobBridge scheme is that the Department required host organisations to put in place a coaching and mentoring process for each intern and to submit a monthly compliance report to the Department. The Department monitors compliance with this requirement. It also conducts randomised site visits and over 3,876 such inspections have been performed. Given that there are 11,000 host organisations, that is a really high rate of onsite inspection, along with the desk-based monitoring that also takes place. As a consequence of these visits, 32 host organisations have been excluded from any further participation in JobBridge. It is important to highlight that the overwhelming majority of host organisations are abiding by the terms and conditions of the scheme.

Deputy Aengus Ó Snodaigh: In a letter she wrote to the Ceann Comhairle to justify her refusal to answer a similar question in the past, the Minister stated that host organisations participate in the scheme on a voluntary basis and receive no payment or other benefit from the State in respect of that participation: no benefit. What does she call 39 hours of work each week undertaken by the JobBridge participants at the expense of the Department of Social Protection? Given that JobBridge allows employers to put off recruiting paid staff for up to nine months, this amounts to a benefit of wage avoidance for those companies.

There is also no doubt that real job creation is being postponed in this very manner. According to the Minister's own Indecon report, which she often quotes, 29% of those companies which are honest enough to admit it, stated when surveyed that in the absence of JobBridge, they would have offered paid employment to their interns. That is just a level of displacement and wage avoidance. Is it not illogical for the Minister to state that she cannot publish the names of these companies, when in the first instance, they are published on the website when they are offering internships?

An Leas-Cheann Comhairle: Thank you Deputy.

Deputy Aengus Ó Snodaigh: This is a State subsidy, and in each case the public is entitled to know the companies that are benefiting.

Deputy Joan Burton: It is a pity that Sinn Féin is so hostile to jobs for people who are unemployed. I sometimes think Sinn Féin seems to have a vested interest in keeping the maximum amount of people parked on the live register without any opportunity to progress, be it in education, training or work experience. It is an unfortunately short-sighted view that the Deputy and his party have taken. It makes me wonder what plans, if any, Sinn Féin has ever brought forward for serious employment creation in this country.

I wish the Deputy had been with me a couple of weeks ago when I was at a function hosted by the Crafts Council of Ireland. It is a very reputable body and I am sure Sinn Féin would approve of it, and its aims are to foster crafts and creativity in this country. Its members are small-scale employers of people - often just one or two - who are craft workers and who produce very beautiful work in many cases.

An Leas-Cheann Comhairle: You are over time.

Deputy Joan Burton: I met two carpenters who had been working on lots of jobs at the height of the boom, just before the crash. They are now becoming craft workers in wood, and they are doing that through an opportunity via JobBridge to see if it works for them.

An Leas-Cheann Comhairle: Thank you Minister.

Deputy Joan Burton: What problem can Sinn Féin have with having that kind of opportunity opened to people who are on the live register?

Deputy Aengus Ó Snodaigh: The Minister did not answer the question as usual, and she distracted people by talking about Sinn Féin's position on jobs. I have been a proposer and a supporter of some of the proposals she has brought forward, such as JobsPlus. She cut the training allowance for CE schemes, but I supported an increase in the training allowance.

The Minister has created an expectation in these companies for confidentiality, even though there is no confidentiality since their names are published online in the first instance. Can she remove an expectation that she and her Department have created so the public will know what companies gain a subsidy from the Department in the form of interns?

Deputy Joan Burton: Perhaps the Deputy is more concentrated on the English social welfare system, which is highly directive. Maybe that is what he wants down here because that is what is available in the North. The JobBridge scheme is a voluntary scheme on the part of both parties. A company offers to host. I have promoted the scheme with companies, because when we came into government, we inherited a dreadful unemployment situation, which is slowly

improving.

Deputy Aengus Ó Snodaigh: Is there any chance the Minister might answer the question?

Deputy Joan Burton: It is so important to take every step to help people-----

Deputy Aengus Ó Snodaigh: What about the question?

Deputy Joan Burton: -----who find themselves unfortunately out of work.

Deputy Aengus Ó Snodaigh: There are seven seconds left to answer the question.

Deputy Joan Burton: I think it makes enormous sense-----

Deputy Aengus Ó Snodaigh: This is ridiculous. She cannot answer the question.

An Leas-Cheann Comhairle: The Minister is in possession.

Deputy Joan Burton: -----to have host organisations offering valuable employment experience.

Deputy Aengus Ó Snodaigh: The Minister cannot answer it.

Deputy Joan Burton: Sixty percent of people then proceed to get employment.

Deputy Aengus Ó Snodaigh: The Minister cannot answer it. She should do so.

Deputy Joan Burton: I genuinely do not understand the Deputy's position.

Deputy Aengus Ó Snodaigh: If she listened to the question, she might understand.

Deputy Joan Burton: We monitor it extremely carefully because it is a voluntary scheme. It is not-----

Deputy Aengus Ó Snodaigh: If she listened to the question, she might understand and then be able to answer it.

An Leas-Cheann Comhairle: We cannot hear anything. I ask the Minister to conclude.

Deputy Joan Burton: As the Deputy said, all the information and data are available-----

Deputy Aengus Ó Snodaigh: Will the Minister provide it?

Deputy Joan Burton: -----on the website. Why does the Deputy not get some of his legions of researchers to look at the website?

Deputy Aengus Ó Snodaigh: I have asked the Deputy as she is the Minister.

Deputy Joan Burton: There is nothing hidden.

Deputy Aengus Ó Snodaigh: The Minister said there is confidentiality.

Dáil Éireann
Pension Provisions

3. **Deputy Richard Boyd Barrett** asked the Minister for Social Protection the protections provided for in the Pensions (Amendment) Bill 2013 that would ensure that the restructuring of defined pension schemes would place the interests of workers and pensioners first, with particular reference to any instance of continued restructuring and its implications; and if she will make a statement on the matter. [51034/13]

Deputy Richard Boyd Barrett: As the Minister knows, there is a major crisis affecting defined pension schemes across the country. Some 20% are in trouble.

Deputy Joan Burton: I believed this question was in the name of Deputy Pringle.

An Leas-Cheann Comhairle: It has been changed.

Deputy Richard Boyd Barrett: My name is on the Order Paper. It was in the name of Deputy Pringle but it has been changed.

There is a crisis affecting defined benefit pension schemes. We know about the current crisis in the ESB and Dún Laoghaire Harbour Company. We are also familiar with the circumstances of Waterford Glass and of approximately 160 other pension schemes. What will the Minister do about it? Will the pensions Bill sort out this crisis? The Minister made reference to the United Kingdom. In the United Kingdom, pensioners are guaranteed at least 90% of what they should get up to a maximum of £30,000. Will the Minister give the full level of protection to workers who have paid into pension schemes all their lives, or will she do the bare minimum? In particular, can restructuring occur on multiple occasions?

(Deputy Joan Burton): Defined benefit pension schemes in Ireland are in general set up under the law of trust. The trustees of such pension schemes have a fiduciary duty to act in the best interest of all scheme members. The Pensions Act provides for a funding standard which applies to funded defined benefit pension schemes. The funding standard requires a defined benefit pension scheme to maintain sufficient resources to meet the liabilities of the scheme in the event of the winding up of a scheme. Where a scheme fails to satisfy the funding standard, the trustees of the scheme are required to submit a funding proposal to the Pensions Board outlining their plan to restore scheme funding. Section 50 of the Pensions Act makes provision for the restructuring of a defined benefit pension scheme where the scheme fails to comply with the funding standard. The Pensions Board can, either unilaterally or on an application from the trustees of the scheme, issue a direction to the trustees of a scheme to restructure scheme benefits. Such a direction by the Pensions Board only facilitates a restructuring of benefits designed to enable the scheme satisfy the funding standard.

The current provision in section 50 of the Act allows the trustees to consider the benefits of active and former scheme member and future post-retirement increases in benefits. The changes I am bringing forward in the Social Welfare and Pensions (No. 2) Bill, which is currently before the Seanad, will extend these options to include a limited portion of pensioner benefits. Trustees will now have the option to consider up to 10% of pensioner benefits where the annual amount of pension is between €12,000 and €60,000 and up to 20% of benefits where the annual amount of benefits is greater than €60,000. Pension benefits up to €12,000 are protected and cannot be included in any consideration of a restructuring of scheme benefits.

All directions issued by the Pensions Board to date have been as a result of an application

to the board by the trustees of a scheme.

Additional information not given on the floor of the House

Before the trustees make such an application, they must consult the employer, the scheme member, any person receiving benefits from the scheme and the authorised trade union representing scheme members. The Pensions Board has discretion as to whether to issue a direction following an application by the trustees of a scheme. There are no indications that continued restructuring of scheme benefits gives rise for concern. As I said at the outset, the trustees of a defined benefit pension scheme are required under trust law to act in the best interest of all scheme members. The changes I am proposing to section 50 of the Pensions Act will enhance the ability of the trustees to protect the overall best interest of scheme members.

Deputy Richard Boyd Barrett: One question Deputy Pringle wanted to ask was whether it will be possible under the Bill for a company to restructure a pension scheme more than once in circumstances where restructuring is allowed? Owing to a restructuring plan implemented by a company, could one lose 10% to 20% of what one expected and then lose the same again, perhaps on multiple occasions, if the under-funding problem persisted? In the framing of the Bill, will the Minister do the absolute minimum required by the European Union or will she do the maximum by really putting the priorities of workers and pensioners first in dealing with under-funded pension schemes? It seems she is acting for the minimum rather than the maximum.

Deputy Joan Burton: I am sure the Deputy is familiar with the history of defined benefit pension schemes. The employer is the sponsor of the scheme and makes promises regarding the contributions the employer and the contributions of employees, if any, to the scheme, thus determining the level of benefit that will accrue on the retirement of the employee. The reason so many schemes have difficulty is that the context of the promise, made many decades ago in some cases, failed to take into account the happy increase in life expectancy. In the past, one might have lived after retirement for ten to 20 years but this could now be 30 or 40 years, resulting in a fundamental change in schemes' total exposure to liability. It is important to remember that the trustees, prior to making an application to the Pensions Board, will have to have undertaken a comprehensive review of the scheme with a view to its long-term stability and sustainability. The review must cover a number of matters, including the benefits payable under the scheme, the options available for reductions in benefits and the impacts on the various categories of members and others. As the Deputy knows, there are retired members, active members who are currently paying into a scheme, deferred members and people who have already retired but who have not yet reached pension age.

Deputy Richard Boyd Barrett: This is a complicated technical matter that is very difficult to deal with.

Deputy Joan Burton: I appreciate that.

Deputy Richard Boyd Barrett: Can a company restructure on multiple occasions with the result that a scheme member would lose out not just once, but several times?

The under-funding crisis is another legacy of the banks. One should remember that many of the funds are in trouble because of the banks or investments in banking shares that have now collapsed. Pension scheme members comprise another victim of the banking crisis.

Many problems with pension funds could be sorted out if we diverted some of the €2.5 bil-

lion that is currently spent on tax breaks for private pensions, mostly for the genuinely premium gold-plated pensions of the super-rich or wealthiest in the country, to help with crises such as those in Waterford Glass, the ESB and other companies whose pension schemes are in trouble. In this way, we could actually resolve the problem whereby ordinary workers are being shafted. They are victims yet again of the banking crisis.

Deputy Joan Burton: With regard to the investment strategies of pension funds, I do not know whether the Deputy has an objection in principle to pension funds. The nature of pension funds is that they collect payments from the employer and employee. Many employers are very good employers. The Deputy seems to believe that all employers are bad but that is not the case.

Deputy Richard Boyd Barrett: The Minister should forget about the potshots and answer the question.

Deputy Joan Burton: Is the Deputy interested in an answer? He just stated the issue is complicated technically but unfortunately that technical complication is included in the answer. I cannot give the Deputy a Ladybird answer on pensions. It is a complex and terribly important issue for hundreds of thousands of people in the country. The Deputy should not treat it as some kind of joke.

Deputy Richard Boyd Barrett: The Minister is the one treating it as a joke.

10 o'clock

Deputy Joan Burton: With regard to pensions, the Deputy asked about investments. Owing to the tsunami of problems affecting the financial markets, pension funds in Ireland took a terrible hit. The Pensions Regulator has reported on how Irish pension funds were often over-invested in a particular field of investment, which included the Irish banks.

An Leas-Cheann Comhairle: I thank the Minister.

Deputy Joan Burton: Let me say as well that, in 2010, the previous Government legislated to provide for bonds via the NTMA structure. That did not happen during its term. I am happy to say it has happened during my term. It is one of the items to which the Deputy referred. The demand has been fairly continuous and significant and, to date we have €1.377 billion for investment in amortising bonds.

An Leas-Cheann Comhairle: I thank the Minister.

Deputy Joan Burton: In other words, the Government has created a vehicle, which has been utilised and which, I hope, will provide an important investment vehicle for pensioners in Ireland in the future.

An Leas-Cheann Comhairle: I must go on to the next question.

Deputy Joan Burton: It is an important issue.

Social Welfare Fraud Investigations

4. **Deputy Willie O’Dea** asked the Minister for Social Protection her Department’s policy on the use of Garda checkpoints to counter welfare fraud; the criteria being used by her Department in the deployment of gardaí; and if she will make a statement on the matter. [50876/13]

Deputy Willie O’Dea: Last October, the Minister announced a policy initiative directly involving the Garda in the investigation and combating of social welfare fraud. What I want to ascertain here is whether that policy has been put in place, where, and how successful has it been?

Deputy Joan Burton: There is a good working relationship between the Department of Social Protection and An Garda Síochána. We closely co-operate with each other in the context of multi-agency operations and investigations to combat social welfare fraud.

A proposal for the secondment of 20 gardaí to the Department of Social Protection to assist with fraud investigation work is currently being progressed with the Department of Justice and Equality and An Garda Síochána. This pilot scheme has been approved by the Department of Public Expenditure and Reform. It involves the secondment of the 20 officers to my Department’s special investigation unit, our key unit in investing fraud. I hope it will be a significant and important resource. The secondment will be for 12 months and the gardaí seconded will undertake the full range of investigative duties in detecting and combating social welfare fraud. It is also envisaged that they will retain their powers as gardaí for the duration of the secondment. They will be appointed with powers under the Social Welfare Acts to enable them to work with officers from the special investigation unit and they will perform all relevant social welfare fraud investigations.

As part of the initiative to prevent and detect fraud, the Department participates in multi-agency vehicle checkpoints, MAVCs, on an ongoing basis with other agencies, particularly the Garda Síochána and Revenue. For example, recently in the mid-west, Deputy O’Dea’s region, there was an MAVC aimed at road haulage operators. This checkpoint, which lasted, as is typical, for two hours, resulted in the detection of three cases of concurrent working and claiming of social welfare payments with consequent savings of €67,000.

These checkpoints are carried out from time to time and are aimed at road haulage operators, those driving commercial vehicles, and taxis. Earlier this year there was a specific examination of persons involved in transport in the scrap metal sector.

Deputy Willie O’Dea: If I understand the Minister’s reply correctly, the multi-agency road checkpoint system has been in place for a quarter of a century but this is a new initiative.

Deputy Joan Burton: Yes.

Deputy Willie O’Dea: It has not yet come into operation. Discussions are still ongoing with the Garda. Is my understanding of that correct?

Speaking on Newstalk, on 16 October last, the Minister referred to this recruitment of 20 extra gardaí who, she stated, would be concentrating on areas such as airports, etc. She went on to state that the Department will also be looking at areas such as checkpoints in estates and on roads, early in the morning as those who otherwise are claiming benefits are going off to work, either self-employed or working and not declaring it. Is my understanding correct that Garda

checkpoints will be set up at the entrance to estates on public roads where residents are going to work with a view to stopping them to ask are they engaged in social welfare fraud or on social welfare? Is that how the system will work?

Deputy Joan Burton: To give Deputy O’Dea some background that might be helpful, in the period 2010 to 2013 there have been a total of 270 multi-agency vehicle checkpoints.

Deputy Willie O’Dea: I am asking about the new initiative, not the multi-agency checkpoints.

An Leas-Cheann Comhairle: The Minister is replying.

Deputy Joan Burton: The secondment of the gardaí directly to the Department of Social Protection is the new initiative. The multi-agency vehicle checkpoints have been increased quite significantly in recent years.

In case the Deputy is in any doubt, I made it clear that the estates I was referring to are industrial estates. In this case, those being approached - the Revenue Commissioners made the same approaches - would be driving commercial vehicles and there would be checks to see whether drivers are also claiming social welfare. It has happened, for instance, where somebody was signing on sick when stopped by the multi-agency vehicle checkpoint and the person acknowledged having only begun working and merely having not had the time to go down to the local social welfare office to sign off.

An Leas-Cheann Comhairle: I thank the Minister.

Deputy Joan Burton: Of course, the presence of the multi-agency vehicle checkpoint encouraged the person to go to sign off. That case would be subject to investigation to see whether there was a wider issue.

As the Deputy will be aware, I brought in legislation on airports where a significant project was set up to look at those who may be welfare tourists coming repeatedly to the country with a view of collecting social welfare to which they are no longer entitled having left the country.

Deputy Willie O’Dea: I refer to the Minister’s own words. She said nothing about industrial estates. She stated that the Department will be looking at areas, such as checkpoints, in estates - nothing about industrial - and on roads, early in the morning. Is the Minister telling us that this will be part of the present multi-agency system or will it be a separate initiative by the gardaí, on behalf of the Department of Social Protection, where the gardaí will be directly involved in stopping and questioning persons on suspicion of social welfare fraud? How will it work? The Minister keeps referring to the multi-agency checkpoints. Wherever the gardaí stop and question persons, will they have to be part of a multi-agency operation or can they do it on their own as a result of this initiative?

Deputy Joan Burton: First, I will not comment in any detail on the powers of the Garda. The multi-agency vehicle checkpoints have been underway for some time and they are a significant and important technique in terms of detecting persons who may be involved in tax, social welfare or other fraud.

Deputy Willie O’Dea: We know all that. Will the Minister answer the question?

Deputy Joan Burton: On the reason for extending these and enhancing the resources, the

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special investigation unit of my Department is responsible for participating in these with the Garda Síochána, and having members of the Garda Síochána working with their expertise and powers on a trial basis in the Department-----

Deputy Willie O’Dea: Will the gardaí be able to stop persons on their own?

Deputy Joan Burton: -----will significantly enhance the investigative powers of the Department to combat fraud.

Deputy Willie O’Dea: Will the gardaí be able to have these checkpoints on their own, not as part of a multi-agency system?

Deputy Joan Burton: The gardaí, under the Garda Commissioner, can do whatever they wish to do on their own.

Deputy Willie O’Dea: So they will be stopping persons on their own.

Deputy Joan Burton: Deputy O’Dea is speaking about the Garda and the Garda Commissioner’s powers. As Deputy O’Dea will be well aware, the Garda Commissioner has powers to do whatever appears to be appropriate to combat crime and provide for law and order in the context of the resources of the force as it sees fit. There is no change in that regard.

An Leas-Cheann Comhairle: Ceist a cúig now. I am sorry. In fairness, Deputies Broughan and Joan Collins are here. We must keep going.

Deputy Willie O’Dea: To clarify, the Minister is saying the gardaí will now be able to operate on their own at checkpoints in estates, etc.

An Leas-Cheann Comhairle: I apologise but we must move on to Question No. 5 in the name of Deputy Ó Snodaigh.

Deputy Willie O’Dea: Why confine it to the Garda? Why not send in the Army?

Disability Allowance Payments

5. **Deputy Aengus Ó Snodaigh** asked the Minister for Social Protection her views on the delays in making disability allowance payments to 1,700 persons who made successful appeals to the social welfare appeals office; and if she will recruit more staff in order that decisions of the appeals office can be implemented immediately in the future. [50874/13]

Deputy Aengus Ó Snodaigh: What steps will the Minister take to address the increase in the delay between social welfare appeals being successful and appellants subsequently receiving payment from the Department? This delay is now over three months in the case of disabled applicants.

Deputy Joan Burton: The Department aims to process and pay without delay all successful appeals returned by the social welfare appeals office. There are currently no delays in implementing successful appeal decisions across schemes. The Deputy has been kind enough to acknowledge that we have completely overhauled our IT and processing systems in respect of domiciliary care allowance, carer’s allowance and family income supplement. The only area in which delays remain is that which relates to disability allowance. Obviously, we inherited

vast delays from the previous Administration. In the case of disability allowance, temporary delays are currently being experienced by some successful appellants. We are working on the substantial backlog which has built up in this area. This is part of the ongoing service delivery modernisation programme the Department is in the process of implementing. Said programme has also included the putting in place of a new computer system and more efficient processes to improve the Department's service to customers who are on disability allowance. The disability allowance section is well on its way to eliminating the backlog of new applications. This is the way we dealt with the problems in each of the other areas. The successful clearing of a high number of claims in backlog has resulted in an equally high level of appeals which are being serviced as quickly as possible. I do not know if that makes sense to the Deputy but the processing of claims and efforts to clear the backlog have led to an increase in the number of appeals. If people wish to appeal, they are being accommodated much more quickly. This means that a proportion of cases are returned to the system more rapidly than was previously the case.

Of the 1,700 successful appeal cases I reported to the Deputy in my reply to his question of 19 November, some 500 have been processed and there are now 1,200 disability allowance cases awaiting clearance. The Department is committed to clearing these in the coming weeks. I hope that the vast bulk of them will be dealt with before Christmas. Additional staff resources have already been assigned to this work.

Additional information not given on the floor of the House

As most of these customers are already in payment on other schemes, arrears due will issue once overlaps with these other scheme payments are taken into account. Any person whose means are insufficient to meet their needs while awaiting a decision on a social welfare payment may apply for means-tested supplementary welfare allowance.

I again assure the Deputy that customer service is a key priority for me and my Department. I am happy to report that major customer service improvements have been made during the past year in the processing of claims and appeals on all the illness related schemes.

Deputy Aengus Ó Snodaigh: I welcome the news that the majority of the 1,200 disability allowance appeals awaiting clearance will be dealt with prior to Christmas. We all acknowledge the progress that has been made in respect of social welfare appeals, particularly in the context of the reduction in waiting times. However, this has made no difference to those on disability allowance whose appeals have been successful because they were still obliged to wait for payment to be restored. In some instances, the delay has been up to three months and this has added to the level of stress on the people involved. I am aware of two cases in which the delay has been over three months. The gap between an appeal being successful and the recommencement of payment never really existed before and it needs to be addressed. I welcome the Minister's commitment to the effect that most of the outstanding appeals will be cleared by Christmas. This will relieve some of the stress on the applicants involved, some of whom have major disabilities. I am of the view that their claims should not have been refused in the first instance.

Deputy Joan Burton: Another point which must be taken into account is that as most of the 1,200 customers whose appeals are awaiting clearance are already in payment on other schemes, the arrears due will issue once overlaps with these other scheme payments are taken into account. We were obliged to update technology which was very behind the times. I pay tribute to the staff of our Longford office and those across the Department who deal with illness-

related and family income supplement schemes because they have worked fantastically well in the context of clearing backlogs and putting the new technology to which I refer in place. When the Department puts in place new technology, it must ensure that the two systems run side by side. Inevitably, therefore, delays occur when we are putting in place new platforms. This is because we must try to ensure that we get everything absolutely right before new systems go live. I thank the Deputy for his comments, which I will pass on to the staff.

Deputy Aengus Ó Snodaigh: In view of her answer, I presume the Minister is confident that the new computer system will allow for future changes. In other words, once an appeal is successful, payment will be made within days or, at most, a week or thereabouts. I accept that it may take longer to calculate arrears. Will the Minister provide a commitment in this regard?

Deputy Joan Burton: That is the broad objective. I do not want to give an actual commitment at this point because at some stage there could be a flood of additional applications. Given that unemployment is falling and people are returning to work, the chances of such a flood occurring are less than they were previously when huge numbers of people understandably turned to the Department of Social Protection as a result of the collapse in the economy, the disaster which befell the construction sector etc. As we move back into a period of slow recovery in the level of employment, the pressure on the social welfare system will ease to some degree. The new computer and processing systems are working well and, given that we have cleared all the backlogs relating to domiciliary care allowance, carer's allowance and family income supplement, I am confident people will enjoy a significantly higher quality of service. Providing such an improved service would be my objective.

Other Questions

Exceptional Needs Payments

6. **Deputy Thomas P. Broughan** asked the Minister for Social Protection if she will report on the exceptional needs payments scheme; the amount of expenditure for the scheme for the years 2011, 2012 and to date in 2013; and if it is anticipated that there will be an increase in applications under the scheme when the bereavement grant ceases to exist in January 2014. [50606/13]

Deputy Thomas P. Broughan: As the Minister well knows, exceptional needs payments are very important discretionary payments designed to help individuals and families experiencing grave financial difficulties. The Minister recently stated that of the order of €35 million was spent on the exceptional needs payments programme last year. However, the budget for 2014 is going to be cut by €2 million. In addition, the bereavement grant is being abolished and this will lead to a so-called saving of €17 million. All of this is going to lead to many families being left in very exceptionally difficult circumstances.

Deputy Joan Burton: Under the supplementary welfare allowance scheme, the Department may make a single exceptional needs payment, ENP, to help meet essential, once-off and unforeseen expenditure which a person could not reasonably be expected to meet out of his or her weekly income. The expenditure on the scheme in 2011 was €62.9 million, in 2012, €52.7 million was expended and some €31.8 million has been spent to date in 2013. An ENP is means tested and is payable at the discretion of the officers administering the scheme, who take into account the requirements of the governing legislation and all the relevant circumstances

of the case in order to ensure that the payments target those most in need of assistance. The ENP scheme is demand led. Examples of the main types of needs that are met under it include assistance towards new house kit-outs, funeral and burial expenses, the purchase of household appliances, clothing and child related items such as cots and prams.

To date in 2013, approximately 2,900 payments have been made in respect of funerals and burials at a cost of €3.9 million or an average payment of over €1,350. In determining an entitlement to an ENP for funeral expenses, the relevant Department official will take into account the circumstances of the individual applicant and that of the deceased person including any savings, property, insurance policies etc. The bereavement grant is a once-off insurance-based payment which is generally payable to applicants who are employed or self-employed. While there may be some increase in applications for ENPs for funeral expenses when the bereavement grant is discontinued from January 2014, I do not anticipate that it will be significant.

Our information indicates that a large number of bereavement grants went not to the members of deceased persons' immediate families but rather to other relatives. That is why I have concentrated on retaining the €6,000 payment for widows or widowers who have children. The social welfare benefits of persons who have died continue to be paid for six weeks.

Deputy Thomas P. Broughan: As the Minister is aware, funerals cost between €3,000 and €10,000. People in Dublin West and Dublin North-East, the Minister's constituency and my constituency, respectively, have few means of addressing these costs. One way of doing so is to use rural funeral directors to try to introduce competition in the market. The Minister may recall that Deputy Maloney and I introduced a Bill on this very subject.

The Minister admitted the Department made payments of €4 million to cover the costs of funerals. Is the abolition of the bereavement grant not an egregious cut which will create additional pressure on people who have been bereaved?

The Minister is also cutting the exceptional needs payment. A Growing Up in Ireland report published the other day provided information on the position of families with children. It found that two thirds of families with children were desperately struggling to make ends meet and one third of them could not make ends meet. This is the cohort of the population with which we are dealing.

In the area of housing, the rental accommodation scheme has collapsed and housing benefit-----

An Leas-Cheann Comhairle: The Deputy may ask a supplementary question once the Minister has replied.

Deputy Joan Burton: I emphasise that the Department provides an extensive range of supports to the immediate next of kin of people who have died. I refer to the important payments that are made to immediate families as opposed to more distant relatives such as cousins and siblings who may not have lived with the deceased. A significant number of bereavement grants were paid to people who were inheriting the estate of the deceased as they were paid into that estate.

The widow, widower or surviving civil partner of a deceased person receives a widow's or survivor's pension as a consequence of his or her partner's death. If there is a child or children, the widow or widower receives a cash payment of €6,000. Even in the context of the high cost

of funerals, this is a significant payment. In addition, social welfare payments for the deceased person continue to be paid for six weeks to his or her immediate next of kin, for example, a widow or widower. This means, for instance, that the widow or widower of a pensioner who dies continues to receive the pension of the deceased person for six weeks after his or her death. In general, this amounts to a payment of approximately €1,300, which is significant.

Deputy Thomas P. Broughan: The bottom line is that the Minister is further cutting the exceptional needs payments this year. This will affect a large number of families, including those who need support with finding a deposit to rent a home. As I noted, the rent supplement system is breaking down and the rental accommodation scheme has collapsed in Fingal county, where our respective constituencies are located, and Dublin city. The Growing Up in Ireland study to which I referred shows clearly that families with young children are desperately struggling. At such a difficult time, the Minister has whipped away important funding from the exceptional needs payments system. Surely this will make matters much more difficult for vulnerable families in 2014.

Deputy Joan Burton: To date this year, my Department has paid €876,000 to help people buy prams, cots and buggies for new babies. The number of applications fell slightly in 2012 compared with 2011. As Deputies are aware, many claims for a social welfare payment are not processed for weeks. With the opening of the new Intreo offices, the largest of which is located in Coolock in the Deputy's constituency, claims for jobseeker's payments and so forth are being processed much more rapidly, frequently within one week. This means that dependence on special need payments, which was a feature of the earlier system, is diminishing in practice because people are receiving their payment faster.

Disability Activation Projects

7. **Deputy Billy Kelleher** asked the Minister for Social Protection the percentage of adults in receipt in receipt of disability allowance that are currently on community employment schemes; and if she will make a statement on the matter. [50610/13]

Deputy Billy Kelleher: As the International Day of Persons with Disabilities falls next Tuesday, I felt obliged to table a question on the number of persons with intellectual disabilities who are finding pathways to employment. While I understand the considerable pressure on employment in general, more should be done to find pathways for people with intellectual disabilities into community and sheltered employment and the open employment market. Figures show we have a poor record on finding pathways to work for people with intellectual disabilities.

Deputy Joan Burton: I appreciate the Deputy's remarks. His question relates specifically to community employment schemes. Of more than 21,000 participants on community employment schemes at the end of October, 983 were categorised as being in the disability allowance cohort. This indicates that only a small percentage of recipients of the disability allowance participate in community employment. While we do not have time to discuss this issue in detail, we could have a fruitful discussion on the matter on a subsequent date.

The Department is working on the disability activation project, DAT. I secured funding of more than €7 million, including support from the European Social Fund, which will be spent over several years on 14 projects under the DAT. These projects are live in the Border, midlands

and west region and will run until April 2015. They are aimed at providing practical insight into how best to engage with people with disabilities and increase their employment prospects. Having had an opportunity to visit many of them, I note they are making good progress. I can provide the Deputy with more information on the disability activation project and what we are learning about how to get people with a disability who desperately want to work - their parents also want them to work - into employment.

Under the Department's employability services, we offer wage subsidies to employers who take on a person with a disability and small adaptation grants if premises need to be modified. In addition, the Department has ring-fenced 1,000 community employment places for people who have experienced drug addiction and are in rehabilitation, many of whom are in receipt of a disability-type payment.

Deputy Billy Kelleher: I accept the difficulties involved in creating employment generally. Problems also arise in the case of people who will lose social supports such as medical cards if they move into employment. Finding employment for people with disabilities is a long-standing problem. We must examine every obstacle that is placed in the way of people with intellectual and physical disabilities who wish to enter employment.

Action Plan for Jobs does not refer specifically to getting people with intellectual or physical disabilities into employment. Will the medium-term programme to be published in December include a strong emphasis on encouraging employers to employ people with disabilities and removing obstacles for those of them who want or need to enter the employment market? The obstacles and challenges facing many people with disabilities are too great. Will the Minister address any obstacles in her Department? The Department of Health must address the issue of medical cards. Ongoing, active engagement with employers is needed to encourage more people with disabilities to enter employment.

Deputy Joan Burton: The community employment scheme is being refocused into two main strands. The first, activation, is directed at persons who are long-term unemployed and involved in a pathway back to work. The second is social inclusion. People who are on a disability allowance, as the Deputy will know, are not part of the activation process because they are registered with the Department as having an illness or need. However, as regards the people the Deputy is talking about, I visit many such organisations around the country. There is an enormous demand among young adults with an intellectual disability to get into work. Recently, I attended an event in Castlebellingham concerning the ongoing work in that area, which includes Dundalk, Drogheda, Cavan and Monaghan to help young people with an intellectual disability under the DAP programme. At the moment, however, people on disability allowance refer themselves into community employment. Perhaps that is something we should think about. They are not part of the activation process but it is certainly open to them to self refer and seek to go on community employment if they so wish.

Work Placement Programmes

8. **Deputy Aengus Ó Snodaigh** asked the Minister for Social Protection if she will provide an update on the Gateway scheme. [50776/13]

Deputy Aengus Ó Snodaigh: I am seeking more details on the Gateway scheme which seems at a glance to be more akin to the Workfare scheme, because there is no training budget

and no prospect of work by the host organisation. Can the Minister elaborate on the scheme?

Deputy Joan Burton: Gateway is a work placement initiative for county and city councils. The initiative aims to improve the employability and maintain the work readiness of those who have been unemployed for 24 months or more. Similar to Tús, participants are selected by a random process conducted by the Department of Social Protection from people in receipt of a jobseeker's allowance payment for two years or more. The selected jobseekers are informed when they have been selected and, if they agree to participate, have their contact details passed to the relevant county and city council.

Responsibility for delivery of this initiative rests with individual county and city councils. Sufficient resources are available to provide for 3,000 placements. So far, just over 1,500 places have been identified in 29 councils in the initial phase of the roll-out. Progress on the roll-out has been slower than anticipated. Delays in the main relate to the ongoing staff restructuring processes of county and city councils, the need to engage with stakeholders, particularly in the county councils, and operational matters relating to securing resources, identifying work and supervisory cover, as well as Garda vetting with which there were very long delays until September. However, despite these obstacles, the initial placement of participants on Gateway will commence in Louth County Council in early December. Limerick county and city councils are awaiting Garda clearance following the completion of a recruitment process and four other counties have scheduled interview dates. In the other local authorities talks are ongoing at local level on the functions and responsibilities of participants and in regard to issues such as supervision.

Deputy Aengus Ó Snodaigh: Basically, the Minister has said that this is Tús for local authorities.

Deputy Joan Burton: No.

Deputy Aengus Ó Snodaigh: It is the same. Why not extend the CE programme to cover these opportunities whereby a specific programme with a training budget could use a method that works and has been proven to work, rather than creating a new scheme which is akin to Workfare? Is the Minister aware that an academic analysis by the Department of Work and Pensions in Britain, to which she referred earlier, questioned the effectiveness of Workfare, that is, forcing those on social welfare into compulsory work? After surveying international evidence from America, Canada and Australia, that report stated:

There is little evidence that Workfare increases the likelihood of finding work. It can even reduce employment chances by limiting the time available for job search and by failing to provide the skills and experience valued by employers. Subsidised transitional job schemes that pay a wage can be more effective in raising employment levels than work in benefit.

Will the Minister examine the compulsion aspect? Can she ensure that any scheme that is produced will have additionality in terms of training and job opportunities? Local authorities have a recruitment embargo in operation so there are no job prospects in the host organisations.

Deputy Joan Burton: Unlike what happens in the North, where the Deputy's party is in government, there is absolutely no compulsion employed in the Irish system. I am delighted to say so. I share many of the concerns identified in various reports in Britain and Northern Ireland, but we do not do that here. The Deputy should be more *au fait* with the difference

between social protection here, social protection North of the Border where his own party is in government, and in Britain.

The participants who may go on this work placement initiative are selected at random by the Department. That is part of an engagement process whereby people are identified together with whatever potential vacancies the county council will identify.

The Deputy mentioned Tús, which has been very successful. At any one time, there are approximately 7,000 people on Tús schemes. I constantly meet people on Tús schemes who have been out of work for four or five years. They felt they had lost contact with the workplace and could not get a job because they had been unemployed for so long, but they are delighted to be involved in Tús. I would hope that Gateway will begin to offer similar opportunities.

Deputy Aengus Ó Snodaigh: The Minister can dream up all the titles she wants, such as Tús and Gateway, but at the end of the day they are the equivalent of Workfare, which has been condemned. Whether the Minister likes it or not, there is an element of compulsion.

Deputy Joan Burton: No, there is not.

Deputy Aengus Ó Snodaigh: People are brought in and told that if they do not take this offer, their payments will be reduced. They cannot volunteer for it, which means that it is compulsory, so the Minister is living in a fantasy world. Will the Minister ensure that such schemes - be they Tús or Gateway, which I am asking about - have an additional training budget? That would mean that whatever experience people receive in such placements, they will get the best possible training for future employment.

Deputy Joan Burton: I wish the Deputy would take the opportunity to meet with people from the local development network.

Deputy Aengus Ó Snodaigh: I have done so.

Deputy Joan Burton: They have set up structures for assisting the recruitment of people from Tús. The Deputy does not seem to understand the problems of somebody who becomes long-term unemployed, particularly a young man in his mid-twenties. Six months becomes two or three years as, unfortunately, has happened to many people who worked so hard during the building boom. Their capacity and commitment to hard work is not in doubt, but they lost their jobs in an industry that collapsed. We must use all our ingenuity to help those who have had that unfortunate experience to get back to work. If they only self select or only scheme sponsors select them, how do we get to the people who have been at home for four or five years and give them an opportunity to get back to work?

Many of the people in Tús, whom I meet regularly, go back to education or take up other employment. Increasingly, they take up places on CE schemes, so they make progress. I look forward to local authorities participating in helping their fellow citizens back to work.

Jobseeker's Allowance Eligibility

An Ceann Comhairle: Questions Nos. 9, 16 and 27 will be taken together. They have been tabled by Deputies O'Dea, Joan Collins and Broughan. I call on Deputy O'Dea to introduce his question.

9. **Deputy Willie O’Dea** asked the Minister for Social Protection the estimated number of persons who will be affected by the cuts to jobseeker’s allowance in 2014; the amount of money she estimates it will save in the full year; and if she will make a statement on the matter. [50826/13]

16. **Deputy Joan Collins** asked the Minister for Social Protection if she will reverse the budget decision to cut jobseeker’s allowance for those under 26 years of age. [50843/13]

27. **Deputy Thomas P. Broughan** asked the Minister for Social Protection the number of persons aged 26 years and under who are currently in receipt of jobseeker’s allowance and who will receive reduced rates of jobseeker’s allowance from January 2014; and the specific actions that are being taken and will be taken to assist this category of jobseekers to find employment and training opportunities. [50607/13]

Deputy Willie O’Dea: The Minister will be aware that people aged under 26 years suffered pretty drastic cuts to their job seeker’s allowance or benefit in the recent budget. I am trying to ascertain how many people have been affected and what it has contributed to the State. The Government took almost €3 billion out of the economy, so what contribution has this reduction made? What savings will be achieved by this reduction which is imposing so much suffering on one category of the population?

(Deputy Joan Burton): I propose to take Questions Nos. 9, 16 and 27 together.

In 2013, my Department will spend approximately €3.66 billion on jobseeker’s benefit and allowance. It is one of the highest spends by the Department. At the end of October 2013, there were 67,990 persons aged 26 or under in receipt of jobseeker’s allowance. Data included in the most recent Quarterly National Household Survey published by the CSO a few days ago is encouraging in respect of youth unemployment. It shows that the rate of youth unemployment in the 15 to 24 age bracket decreased from more than 31% to 26.5% over the year to the end of quarter 3 of this year. This is a very positive outcome for the recovery of jobs.

Deputy Thomas P. Broughan: It is still significantly high.

Deputy Joan Burton: Currently, there are 38,000 jobseekers under 25 years of age in receipt of a reduced jobseeker’s allowance payment on foot of the changes that were first introduced in 2009. Receiving the full adult rate of a jobseeker’s payment at a young age can lead to welfare dependency from an early age. If young people do not improve their skills, they are at risk of becoming long-term unemployed, which I am anxious to avoid. Therefore, it is considered necessary to provide young jobseekers with a strong financial incentive to engage in education, training or take up employment.

The changes made to jobseeker’s allowance rates in 2009 are being extended from January, 2014 so that young jobseekers who are 25 years of age or under will have a financial incentive to engage in education, training or employment. This decision was made on foot of ongoing consideration of unemployment and incentives policy by Government. It is estimated that the measure will affect 13,767 persons in 2014 and will result in savings of €32 million in 2014. An additional €46 million will be spent on initiatives aimed at young people. I am happy to inform members that from 1 January next an employer who employs a young person who has been unemployed for more than six months will receive a cash wage subsidy of €300 per month. I appeal to Deputies to make employers in their constituencies aware that not alone can they assist a young person get back into employment but they will also get a significant wage subsidy

in this regard.

Deputy Willie O’Dea: It is acknowledged that many of the people adversely affected by the budgetary changes will not, because there are 30 applicants for every available job, be able to secure employment. It is also acknowledged that the number of available education and training places will not be sufficient. What will be the position in respect of a person who cannot get a place on a training or education scheme and cannot get a job? Does the Minister believe it is fair that such a person should lose 40% of his or her social welfare payment?

Deputy Joan Collins: Regardless of what the Minister says in trying to defend her position, the reduction in core payment from €188 to €144 in respect of persons under 26 years age is a cut. As has been already stated, there are 30 applicants for every job. Nobody wants to remain on the dole or to have to live on €188 per week. It is a poverty income. People do want jobs. The Minister should allow the people concerned to remain on the €188 per week payment, create the jobs about which she speaks by way of incentivising employers to take on people or any other system she wishes to put in place instead of trying to do both and using this to back up her position that this is to incentivise young people to go out and get a job at a time when it is difficult to do so.

I ask that the Minister retain the core payment for the under 25s, which is a low income. For a young person to even qualify for jobseeker’s benefit his or her family must be on poverty income. I ask the Minister to allow these people some income stability in their lives and to focus on the creation of jobs which pay more than the minimum wage and include proper working conditions.

Deputy Thomas P. Broughan: I read an article this morning in which the Minister spoke eloquently about a living wage and how difficult it is for people to exist on the minimum wage or welfare benefits. However, the Minister has significantly reduced a basic social welfare benefit for young people. The National Youth Council of Ireland has stated that there are now only two doors open to young people, namely, a social welfare payment of €100 or emigration. Every year since this Government has been in office the number of people required to fill the Aviva stadium have left this country. The phrase “a living wage” is only pious words, which the Minister will probably repeat on Saturday afternoon. Unfortunately, I cannot be there and will not hear them. In reality, this reduction in benefits is a severe cut.

As I understand it, we are in terms of the youth guarantee introducing the Dutch model, under which training or a job is provided. However, as stated by Deputy O’Dea it is not possible for the Minister to deliver the Dutch model in this country in a situation where the Labour Party is not really in power. That is the problem.

Deputy Joan Burton: Some of the opportunities that will be available for young people include the following: commencing on 1 January next payment under the JobsPlus initiative of a €300 per month subsidy to an employer who takes on a person unemployed for six months will, I believe, be attractive to employers; an additional in-take of 1,500 young people on to Job-Bridge; 1,000 Tús scheme places targeted at young people; development of a pilot programme to support approximately 250 young unemployed people where there are opportunities under EURES; and ring-fencing of a minimum of 2,000 training places for the under 25s under the successful Momentum programme operated by the Department of Education and Skills, with income supports for participants provided by the Department of Social Protection. The Department of Jobs, Enterprise and Innovation will also make approximately €2.5 million in funding

available next year to young entrepreneurs via Microfinance Ireland and other business start-up schemes. These measures are in addition to the significant existing spend of approximately €170 million on employment training and further education programmes for young people.

I know that Deputy Broughan and other Deputies have been heavily involved in supporting community employment and training initiatives. Is any Member here seriously suggesting that life on social welfare at the age of 18 years is better than being in employment, education or training? Is this the start in life they want for young people? Youth unemployment in this country is a very difficult problem. We must provide mechanisms to get our young people back to education and training, into work experience and, ultimately, into employment. Deputies will be aware of the recently published statistics which indicate 58,000 additional jobs have been created and that the rate of unemployment has decreased from 31% to 26%, which I accept is still too high. Deputies need to come up with ideas and work with us in addressing this issue. I hope they do not see the future of young people in Ireland on the dole as acceptable.

Deputy Willie O’Dea: May I ask a final question?

An Leas-Cheann Comhairle: No, we are over time and must move on to the next business.

Written Answers follow Adjournment.

Companies (Miscellaneous Provisions) Bill 2013 [Seanad]: Second Stage

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): I move: “That the Bill be now read a Second Time.”

I thank Deputies for facilitating an early debate on the Companies (Miscellaneous Provisions) Bill 2013 and the urgent issues it addresses. It is the second Bill I have introduced this year to amend the Companies Acts and has already passed all Stages in the Seanad. It provides for a small number of immediate and targeted changes to company law that are necessary to continue to allow us to respond dynamically and flexibly to opportunities and challenges arising from changes in our operating environment. The full suite of existing Companies Acts - amounting to 16 in all - has been the subject in recent years of a major reform and consolidation exercise.

The Companies Bill 2012, a landmark legislative project I brought forward in April this year, not only consolidates the corpus of company law since 1963, but also overhauls and restructures the legislative framework. That Bill consolidates, simplifies and reforms company law to provide a state-of-the-art framework for all businesses operating in Ireland, whether domestic or foreign. It brings a coherence, structure and accessibility to the canon of company law which will greatly assist businesses and others with an interest in these matters. The Bill is the product of a lengthy period of collaboration between officials in my Department with the Company Law Review Group, CLRG, and the Office of the Parliamentary Counsel. The CLRG is a statutory body, set up in February 2000, whose role is to advise me as Minister for Jobs, Enterprise and Innovation on the reform and modernisation of company law. The group includes all relevant stakeholder interests, with members from Departments, professional bodies - that is, solicitors, barristers and accountants - employer and business interests, regulatory bodies, trade union interests and individual legal and finance practitioners. The Companies Bill 2012 completed Committee Stage in this House on 6 November.

I assure Deputies that the relevant provisions of the Bill before us today will also be incor-

porated into the consolidation exercise. The necessity of bringing forward additional legislation in the company law area so soon after the introduction of the Companies Bill 2012 signifies the priority the Government attaches to supporting businesses. In deciding to expedite the measures relating to Circuit Court examinership, as well as a small number of others that are already included in the consolidated Bill, we are responding to continually evolving corporate circumstances. Small businesses are central to our growth and jobs plans. Some 200,000 small businesses employ approximately 650,000 people, or more than one third of all people at work in Ireland. Many of these businesses have substantial growth potential but face legacy debt problems arising from the financial crisis. We are confident that by creating a mechanism for them to deal with these legacy problems we can not only save jobs, but also unlock the potential for the growth and job creation we are striving to achieve.

The provision on examinership, which was recommended by the Company Law Review Group, allows small private companies to avail of the option to access examinership directly through the Circuit Court rather than the High Court. This initiative is part of a programme of measures we are putting in place to support small and medium-sized enterprises, including through the Government's Action Plan for Jobs, and is aimed at reducing the costs associated with an application for examinership and enabling increased numbers of small private companies to apply for this mechanism. In particular, businesses with large potential for growth and job creation but which are being held back by legacy debt problems are expected to benefit from the move. This measure and the other measures relating to e-filing of accounts with the Companies Registration Office, CRO, and the better facilitation of the work of the Office of the Director of Corporate Enforcement, ODCE, will allow us to progress more speedily than would be the case if they were part of a very large Bill that would require a great deal of Oireachtas consideration and whose passage would, as a consequence, require to be undertaken at a more measured pace. These measures are set out in sections 2 to 6, inclusive, which I will outline in more detail shortly.

The additional measures at sections 7 and 8 will strengthen oversight of the audit process, provide better protection for shareholders, investors and creditors, and are important to have progressed at this time, following the focus there has been on audit in the context of the financial crisis. The imposition of a levy on relevant statutory auditors, audit firms and auditing public interest entities will enable the Irish Auditing and Accounting Supervisory Authority to defray the costs of carrying out quality assurance on them, once this function has transferred from the recognised accountancy bodies to the authority. The transfer of the quality assurance function implements an EU recommendation in this matter. Separately, the implementation of a member state option in an EU Commission decision will enable the competent authority to apply its investigation and penalty systems to a particular cohort of third-country auditors.

The Bill, in sections 9 and 10, also facilitates amendments to the Personal Insolvency Act 2012 and the Bankruptcy Act 1988, legislation which comes within the remit of my colleague, the Minister for Justice and Equality. Several amendments were made to the Bill on both Committee and Report Stages in the Seanad. I will address these amendments as they arise under the relevant sections.

Section 2 deals with examinership for small private companies. The provision on examinership arises from a recommendation made by the Company Law Review Group that the Companies Acts be amended to allow small private companies, meeting the criteria which define a "small company" in company law, the option to apply directly to the Circuit Court for examinership. A "small company" is a private limited company that meets at least two out of

the following three criteria: turnover of a maximum of €8.8 million, balance sheet total of a maximum of €4.4 million and 50 employees or fewer. The Companies (Amendment) Act 1990 allows the remission of an examinership from the High Court to the Circuit Court subject to certain criteria. However, the provision in section 2 eliminates the requirement for any High Court involvement with the associated costs. It is hoped that the immediate impact of this change will be lower costs and greater accessibility for small private companies to the examinership process. This means, for example, that companies based outside Dublin will be able to apply for examinership to their local Circuit Court, thus reducing costs and travel time. Access to a more affordable mechanism for restructuring makes it more likely that small companies will avail of examinership, thus providing them with a greater chance of economic survival. In particular, businesses with potential for growth and job creation but which are being held back by legacy debt problems are expected to benefit. This, in turn, should contribute to an improvement in the general employment and economic situation within the State.

Three Government amendments to this section were agreed on Committee Stage in the Seanad. The first of these clarifies how a company can show that it meets the eligibility criteria for availing of this provision. This improves the clarity of the criteria for prospective applicants. The second amendment clarifies that where the most recent financial year ended within three months before the application for examinership and where the accounts for that financial year might not yet be available, the accounts for the year before that are to be used. The 15-month limit ensures the accounts used in these circumstances must be for a financial year that ended no more than a year before the end of the most recent financial year. Again, this provides for flexibility in circumstances where the accounts for the immediately prior financial year are not available. The third amendment provides that where an examiner is appointed to a small company, he or she can only be appointed to a related company where that related company also falls to be treated as a small company by reference to its latest financial year.

Another measure that is being proceeded with ahead of the Companies Bill 2012 is that provided for in sections 3 and 4, which will facilitate the electronic filing with the Companies Registration Office of documents relating to the financial statements a company is required to file with the office as part of its annual return. Each of the two sections caters for the obligations of a different category of company as regards the filing of its annual return. Electronic filing of annual returns has, in a sense, been hampered by the need to file a copy of the accounts-related documents that has been certified as a true copy or a true written copy and which contains copies of the signatures of the two directors who signed those accounts. Currently, if a company wishes to file those documents electronically, it must manually scan in every page of the hard copies so there will be a copy of the handwritten signatures of the two directors. In the experience of the Companies Registration Office, this discourages take-up of electronic filing.

11 o'clock

The Bill provides that a copy can now include a document which is signed using typeset signatures, that is, typed names, of the directors. This means the entire document can be created electronically and the measure should facilitate a far greater uptake of electronic filing. It also provides for the safeguard that in the case of such submissions, the copy documents must be accompanied by a certificate signed by a director and the secretary of the company stating that the copy of the accounting documents is a true copy of the originals except for the signature. This certificate can be signed either manually or using an electronic signature.

Section 5 deals with designated officers. This new section, agreed on Committee Stage

in the Seanad, will provide that if a designated officer named in a search warrant has ceased to be an officer of the Director of Corporate Enforcement or is otherwise unable to act, another designated officer may apply to a judge of the District Court for an order that his or her name be substituted for the original designated officer's name on the search warrant. This section was contained in the Companies Bill 2012 and is being brought forward to ensure the process is in place should the need for it arise.

Section 6 deals with disclosure of information to the Office of the Director of Corporate Enforcement. It is the final provision extracted from the 2012 Bill for earlier consideration by the Houses of the Oireachtas. It deals with exchange of information between regulatory bodies relating to suspected breaches of legislative provisions and is an essential element to a properly functioning regulatory environment. Under section 18 of the Company Law Enforcement Act 2001, the Revenue Commissioners, the Competition Authority and the Garda are entitled to disclose information to the Director of Corporate Enforcement or an officer of the director that may relate to the commission of an offence under the Companies Acts. However, section 77 of the Finance Act 2011 inserted a new section, section 851A, into the Taxes Consolidation Act 1997 which has impacted adversely on enforcement activities of the ODCE in that it has unintentionally affected the utility of information exchanges from the Revenue to the ODCE. This provision has served to restrict the amount of Revenue information which the ODCE can properly obtain and use. In particular, it is an obstacle to the ODCE in its use of such information in support of its investigative and civil enforcement work under the Companies Acts. The impact of the provision in the Finance Act warrants the inclusion of the remedial provision in this Bill.

The opportunity is being taken in section 6 to clarify further that information may be disclosed to the director which would assist the ODCE in investigating whether the grounds for bringing disqualification proceedings against a person who was a company director existed at the time the company was struck off the register for failure to file its statutory returns. This section was amended in the Seanad to include the Insolvency Service of Ireland in the list of bodies that may share information with the Director of Corporate Enforcement.

Section 7 relates to the levy on auditors to fund the quality assurance mechanism. The term "quality assurance" is given to the process of regular inspection of statutory auditors and audit firms to ensure systems are in place which allow for a consistently high quality of audits. The scope of inspections includes an assessment of auditors' compliance with applicable auditing standards and independence requirements, a review of the internal quality control system of the audit firm and the testing of selected audit files.

International best practice relating to the external quality assurance of audits, in particular, of those companies classified as public interest entities, holds that this should be carried out by the public oversight bodies for audit and not by the recognised accountancy bodies of which these audit firms are members. Public interest entities are listed companies, credit institutions and insurance undertakings. While this scrutiny is not an obligation under current EU legislation, the matter is being considered at EU level as part of audit proposals.

The Government has decided that Ireland should move to the model of independent inspection of the audit of public interest entities based on the model set out in a European Commission recommendation on the matter. It was decided that the Irish Auditing and Accounting Supervisory Authority should carry out these functions instead of the recognised accountancy bodies. The recognised accountancy bodies operate these functions under the powers vested in them by the regulations transposing the latest EU audit directive. The European Commission

recommendation specifies that quality assurance inspections should be executed by a public oversight body, either exclusively or together with another appropriate body that is accountable to the public oversight body.

To facilitate the Irish Auditing and Accounting Supervisory Authority in carrying out the functions, it is proposed to provide for a levy on the relevant statutory auditors and audit firms which audit public interest entities to defray the costs of carrying out these functions. Additional functions are proposed to be conferred on the Irish Auditing and Accounting Supervisory Authority in the Companies Bill 2012, while the balance of the related functions can be provided to IAASA by amendment to existing regulations. The transfer of the important quality assurance function to an independent oversight body such as the Irish Auditing and Accounting Supervisory Authority will strengthen oversight of the audit process in Ireland relating to these public interest entities. The transfer of the function to IAASA is to be fully funded by the relevant statutory auditors and audit firms with no cost to the Exchequer, apart from once-off start-up costs.

Section 8 refers to the application of the systems to third country auditors. The final item under the Bill relates to the application of investigation and penalty systems to certain third country auditors and audit entities which carry out the audit of companies incorporated in specific third country territories whose transferable securities are admitted to trading on a regulated market in the State. Again, the measure is audit-based and rather technical and relates to regimes drawn up by the European Commission based on an evaluation carried out by the Commission on the public oversight, quality assurance and investigation and penalty systems for auditors and audit entities of particular territories. This evaluation has led the European Commission to draw up two lists in respect of certain countries outside the EU made up of those deemed equivalent to corresponding EU audit oversight systems and those deemed not to be equivalent at the moment but which may be deemed so in future.

On foot of this, the Commission goes on to prescribe in Commission decisions, specific treatments by member states in respect of each of the two categories in question. For the record, the references to these decisions are Commission Decision 2011/30/EU, as amended by Commission Decision 2013/288/EU, which set out regimes to be applied by member states to the auditors and audit entities that carry out audits of the annual or consolidated accounts of companies incorporated in certain third countries whose transferable securities are admitted to trading in the State. The focus is on countries whose audit oversight systems are deemed by the European Commission not to be equivalent to those of the EU. The treatment of these by member states is referred to as a transitional period regime and applies for the periods specified in each of the two Commission decisions. The countries subject to this include Bermuda, the Cayman Islands, Egypt, Mauritius, New Zealand, Russia, and Turkey. A member state option is provided in these Commission decisions and the current provision proposes that this option be availed of. Taking the option will allow the competent authority in Ireland responsible for implementing these Commission decisions to apply its investigation and penalty systems to the third country auditors and audit entities which are subject to the transitional regime.

Based on evaluations carried out by the European Commission, the audit and oversight regimes of the countries in question are deemed not to be equivalent to those in the EU. Accordingly, the audits of undertakings from third countries which are admitted to trading on a regulated market in Ireland may not be as robust as an audit carried out in Ireland or another member state. For persons investing in or contemplating investment in such entities, this means a greater degree of risk may be entailed. Conferring such powers on the competent authority

would enable it to pursue the auditors in question and subject them to its investigation and penalty systems. The prospect of this may focus these auditors on producing high quality audits to avoid the consequences of the application of these powers. This is why it is considered prudent to take the option.

The measure also proposes to provide that where future European Commission equivalence evaluations are undertaken which result in a different set of countries being provided for under a future Commission transitional period decision, the Minister should have the power to adjust the list, as constituted, thus enabling the competent authority to apply its investigation and penalty systems in line with the revised list of transitional period countries.

I, as Minister for Jobs, Enterprise and Innovation, intend to make regulations to confer the role of competent authority on the Irish Auditing and Accounting Supervisory Authority, as I consider that it is entirely appropriate for that authority to be enabled to employ its powers in these instances, thus affording safeguards to parties placing reliance on the audit reports in question.

The approach taken in sections 7 and 8 is consistent with the developments on audit at EU level. The oversight of the audit process in Ireland as regards public interest entities will be strengthened with the transfer of the important quality assurance function to an independent oversight body. It also is critical to give greater international credibility to Ireland's audit process particularly with regard to such entities. Overall, the aim of these two sections is to improve audit quality and confidence in audit reports.

Section 9 deals with debt relief notices under the Personal Insolvency Act 2012. At the request of the Minister for Justice and Equality, a number of Government amendments were put forward to the Personal Insolvency Act 2012 and the Bankruptcy Act 1988 and were agreed in the Seanad. Section 9 provides for the amendment of a number of sections of the Personal Insolvency Act 2012 to improve the operation of the debt relief notice process, which is one of three new debt resolution processes in the Personal Insolvency Act 2012. The amendment to section 25 deletes the reference, in the definition of debt, that the debt must be payable within three years from the date of application. The effect of this deletion will be to allow the debtor to propose the inclusion of debt that does not become due until future dates beyond three years. The deletion will address the operational difficulties for the Money Advice and Budgeting Service, MABS, approved intermediaries of calculating the exact amounts owing under term loans, hire purchase and lease arrangements and instalment orders, which may have more than three years to run. In addition, a certain interpretation of the previous definition would appear to allow settlement of up to three years of such debts but then allow continuation of payments to creditors to resume in the fourth year and onwards. Such an outcome would be counter to the policy intention that all the debts, other than the four categories of excluded debt, owed by the debtor must be included in a potential debt relief notice, DRN, application. The definition of debt will now capture all the debts owed by the debtor. If those debts total less than €20,000 and all other qualifying criteria are met, the debtor should qualify for a debt relief notice. At the end of the three-year supervision period associated with the DRN, all debts are written off, no matter what the original term of a debt may have been.

The deletion of section 26(4) of the Personal Insolvency Act 2012, which provided that "A debtor shall not be eligible for a Debt Relief Notice where 25 per cent or more of his or her qualifying debts were incurred during the period of 6 months ending on the application date", arises for similar reasons to the change proposed in section 25. Both MABS and the Insolvency

Service of Ireland have indicated potentially significant operational difficulty in precisely determining the age of certain debts, particularly in the context of debt that continued to accrue over the period and where some repayment had been made by the debtor. Given the complex nature of, and the conditions attaching to, a range of credit agreements, it often is very difficult to precisely identify the dates on which debts fall due, for example, in regard to some credit cards, and even when this can be worked out, the requirement that less than 25% of the debt has been incurred in the last six months would also have been problematic. The amendment to section 27 is a drafting amendment in regard to the obligation on an approved intermediary to be of the opinion that the information contained in the debtor's prescribed financial statement is true and accurate. The addition of the words "in all material respects" again facilitates the work of the approved intermediary and will ensure that a minor error would not invalidate the application for a DRN. The amendments to sections 43 and 44 insert a new "anti-abuse" ground for challenge to the granting of a DRN by either a creditor or the Insolvency Service of Ireland. The proposed amendments are based on the corresponding existing anti-abuse provisions in the Personal Insolvency Act 2012 at section 87(a) for a debt settlement arrangement and section 120(a) for a personal insolvency arrangement. The amendments, taken together, are designed to facilitate the processing of applications for DRNs by MABS.

Section 10 deals with the amendment to the Bankruptcy Act 1988. It provides for the amendment of a number of sections of the Bankruptcy Act 1988. The amendments, to sections 17, 105, 130, 140B and 141, are similar in nature and have the objective of reducing certain of the costs associated with bankruptcy. The amendments will allow the Minister for Justice and Equality to prescribe how notice of the adjudication of bankruptcy is to be given by the bankrupt. The essential change is a new option of using, cost free, the website of the Insolvency Service of Ireland for the notice of bankruptcy, in addition to *Iris Oifigiúil*. At present, only publication in *Iris Oifigiúil* and a daily newspaper circulating in the State are permitted. This change in regard to giving notice could save a bankrupt person a considerable amount. The proposed amendment to section 140A of the Bankruptcy Act 1988 is in regard to the register of insolvency decisions arising from the operation of the EU regulation on insolvency proceedings. It will permit the relevant register to be maintained in electronic format, for it to be open to public inspection and for an inspection fee to be charged. This essentially is a technical amendment.

Consequential amendments to the Long Title to take account of the amendments being made to the Personal Insolvency Act 2012 and the Bankruptcy Act 1988 were also agreed on Report Stage in the Seanad, together with necessary changes to section 11, which deals with the commencement of individual sections.

Finally, this brings me to the end of this overview of a package of important measures the Government wishes to expedite due to their potential to have a positive and immediate impact for business, the enforcement of company law and audit, as well as to provide greater clarity to the personal insolvency regime. I commend the Bill to the House.

Debate adjourned.

Topical Issue Matters

Acting Chairman (Deputy Seán Kenny): I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Terence Flanagan - the need to end the derogation for the Irish

language; (2) Deputy Patrick Nulty - the need to restore the Christmas bonus for carers, pensioners and those on long-term social welfare payments; (3) Deputy Sean Fleming - reported further delays in the expected completion date for the national children's hospital; (4) Deputy Derek Nolan - the need to supply Rosedale special school, Galway, with funding for specialist equipment to assist students; (5) Deputy Seán Kyne - the need to ensure adequate fire service provision for the south Connemara area; (6) Deputy Brian Stanley - the future of Wicklow's River Dargle flood prevention programme; (7) Deputy Dessie Ellis - the need to address the worsening problem of homelessness; (8) Deputy Clare Daly - the proposal for survivors of symphysiotomy; (9) Deputy Mick Wallace - the need for the new building regulations to provide protection to home owners without having to go to court should the system fail; and (10) Deputy Brendan Smith - to ask the Tánaiste and Minister for Foreign Affairs and Trade to discuss recent publications and media reports about collusion between British forces and loyalist paramilitaries in Northern Ireland during the Troubles.

The matters raised by Deputies Seán Kyne, Derek Nolan, Sean Fleming and Terence Flanagan have been selected for discussion.

Companies (Miscellaneous Provisions) Bill 2013 [Seanad]: Second Stage (Resumed)

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

Deputy Dara Calleary: Fianna Fáil welcomes this Bill and intends to support it. I join with the Minister in thanking the Company Law Review Group for its work on both this Bill and the big Bill, as well as for the information and assistance it provided to the Joint Committee on Jobs, Enterprise and Innovation during the latter's review of it. This Bill is significant because it has become apparent in the past 18 months that the examinership process became the preserve of large companies and gave them an advantage in dealing with business difficulties and issues such as legacy debt that smaller companies did not have or were not in a position to use. On that basis, it is important that Members expedite the Bill's passage to level that playing pitch.

It also has the potential of reducing legal costs relative to the existing High Court process. At present, only 1% of small and medium-sized enterprises, SMEs, that are in difficulty restructure, compared with 25% of SMEs in the United States and this is despite broadly similar business structures. It demonstrates that many businesses that could have been saved potentially have been lost. They have been prohibited from restructuring by prohibitive costs and by the challenges of entering the legal system. For this legislation to be successful, it must be endorsed by the relevant professions, both accountancy and legal, and the Judiciary must be trained in the complexities of company restructuring. While the State is lucky in respect of the work undertaken by the Commercial Court at present, this Bill will require an expansion of the resources available to that court. In addition, when this type of activity is brought down to Circuit Court level, the requisite level of expertise must be brought to the Circuit Court in order for it to be maximised fully. Solicitors, barristers, auditors and accountants should be required to post prices for their services, including hourly rates, on the relevant regulator's website so companies wishing to avail of this process can know the cost from the outset. All professionals should be required to provide clients with meaningful cost estimates to prospective customers. For an examinership to be successful the primary need is often for access to credit. There is still an issue with regard to access to credit, in particular, for companies which are being restructured. Unless this aspect is addressed the good and very solid structures provided for in the Bill will be merely structures and the intentions of the Bill may not be realised.

I welcome the provision to enable companies to avail of examinership. The Minister estimates it will allow for a reduction in costs of up to 30%. At present, applications must be made to the High Court in the first instance for examinership protection and then may be sent to the Circuit Court if the company's total liabilities are less than €317,434.52. This has never been done in practice.

Many companies find the prospect of going to the High Court to seek examinership a daunting one. They regard the High Court process as the preserve of large corporations and many are not comfortable in the surroundings of the High Court. They have some justification in believing that costs could spiral out of control. It is estimated that Circuit Court costs will be 30% lower than an examinership process through the High Court, owing to the legal and accountancy fees element being considerably lower.

The up-front costs currently associated with seeking examinership protection are made up of the costs of an independent accountant in preparing a report on the company's viability and the legal fees for the application papers. The Bill does not change the content of this report nor the content of the application papers so the same level of work is required regardless of whether the application is made to the Circuit Court or the High Court. The Minister should consider a simplified version of these reports or application papers in order to streamline the process further and to make it more accessible.

As an example, I refer to the case of an independently-operated hardware store on the main street of any town. Unlike major national chains it will not have the resources to take a High Court examinership case. However, there is a considerable social dividend from having such a business operating in a town centre and providing employment. Were it to close it would have a significant knock-on effect on surrounding premises and reduce footfall in the town.

Many national stores have used the examinership process to renegotiate leases in out-of-town centres in the past 12 months. This option is available to such stores because they have the resources but it is not available to the small local hardware store.

The examinership process is being used to address the issue of legacy debt. We must devise a system to provide options for viable businesses with legacy debt issues relating to property investments or other investments associated with the so-called boom, whose businesses are not sufficiently viable to service that debt. Banks have been permitted to set aside home-related debt and to offer split mortgage arrangements. Similar arrangements must be considered for businesses.

The hospitality sector has examples of banks taking over loans and putting a company in charge of operating the indebted hotels. Many independent, family-owned businesses do not have the support of the banks to the same extent. It is a very uneven playing field. Family-operated and independent hotels around the country are faced with competition from hotels which are being run by the banks. This is unfair competition. The family-owned hotels which have not become involved in heavy indebtedness are being put under pressure and are going out of business in some cases. This is also happening in the retail and other service sectors. The Bill will give some relief but further options are required.

Landlords have expressed concerns about the possible abuses of the examinership process by some retailers who are using this court process to reduce their rents. The difficulty is that many rents are related to costs in the period 2005 to 2008 but we are now in a very different

time. Any landlord who is concerned about this legislation should first negotiate with his or her tenant rather than forcing the tenant to seek the protection of this legislation which should offer some protection for their investment.

For the proposed changes to be successful the concept of examinership being handled by the Circuit Court will have to be embraced by the professions, including the legal and accountancy professions. While it is hoped that fee levels will fall accordingly, there is already a worrying lack of transparency with regard to professional fees. Members of regulated professions should be obliged to meet strict price transparency requirements. One approach might be to require that professionals such as solicitors, barristers, auditors and accountants be required to post prices for their services on the relevant regulator's website so that those seeking to avail of this new service will know the costs at the outset. One of the challenges of dealing at a local level is that people may be tempted to use their traditional provider of accountancy and legal services. Pricing needs to be clear before professional advice is engaged.

There will also be a need for training of judges to ensure they are adequately versed in what may be complex commercial cases. The Minister for Justice and Equality has tabled amendments to the Bill in the Seanad. The Circuit Court judge cadre will need to be trained to deal with very complex cases of commercial law. The High Court and the Commercial Court are creaking under the pressure of the volume of complex examinerships, receiverships and recession-related litigation. This legislation is required to enable companies to seek the immediate protection of examinership as a last resort in many cases. If delays are to arise at Circuit Court level, the intention of the Bill will be lost.

The Bill also provides for electronic filing of returns to the Companies Registration Office. The Irish solution to an Irish problem was to have electronic filing as well as paper filing of returns. I refer to the success of the Revenue's online filing system which has proved that people are comfortable with using an electronic system which should be extended to include all commercial services.

Section 7 provides for quality assurance. I ask the Minister to clarify the status of the term, "accountant". If quality assurance in the audit process is to be provided for, care must be taken that those who undertake audits have some form of quality assurance. The Minister is considering a number of options. The fact that anyone can purport to be an accountant undermines any provision of quality assurance.

We called this Bill the "baby" Bill when discussing it on Committee Stage as compared to the bigger Bill. The provisions of this Bill must be communicated to businesses. The Department has completed a large body of work but businesses are as yet unaware of these important provisions. I suggest the Department does not leave it to the private sector - the legal and accountancy professions - to inform businesses about the provisions of the Bill as they will put their own spin on them. I suggest the local enterprise offices could provide the information to companies so that they know that these provisions are very different and will offer many companies the option of examinership which they would not have considered heretofore. There is no sense in this House passing this Bill unless it will have an impact on the high street. It will not have that impact unless there is work done by the Department to publicise its provisions and to encourage people to seek further information. I will leave that challenge to the Minister.

Deputy Jonathan O'Brien: As the Minister is aware, I took up this portfolio only some weeks ago. It was not the ideal time to take up a portfolio of this nature in that I was landed

with Committee Stage of the Companies Bill 2012 legislation, which is probably the largest Bill this House has ever considered. I spent a great deal of time trying to get my head around that legislation and, in fairness, the Department provided me with comprehensive briefs. We have managed to deal with Committee Stage of that Bill and it will come back to this House for Report Stage, but I was amused last week to find out that we would be discussing a baby Bill, so to speak, this week and wondered why it could not have been done at the one time. In fairness, the Minister has outlined the reasons this legislation must be rushed through the House. There is merit in doing so but the news last week was a bit of a surprise.

The area of examinership is one larger retail stores or businesses have been able to abuse. I do not like using the word “abuse” but in some cases some of the larger businesses have used it as a means to address some legacy debts and issues such as upward-only rents. On the issue of upward-only rents, as the Minister is well aware it was a commitment of this Government to try to deal with that issue but, on the advice of the Attorney General, it was decided that could not be done through legislation. I do not know what the advice was to suggest that but it is an issue that goes to the heart of many of the problems with which smaller businesses are having to deal. The fact they are burdened with very high rents and leases they are unable to get out of has meant the owners of many viable businesses have a huge debt around their necks. If they did not have that debt, it is possible that some of them would be able to invest that additional funding in job creation and expanding their businesses. For that reason, it is unfortunate we have not been able to deal with the issue of upward-only rents through legislation.

While I understand the need to expedite this legislation, there are other areas under the Minister’s portfolio which one could argue warrant equal urgency. On the issue of workers’ rights, for instance, on which Sinn Féin has long campaigned, from what I am led to believe the Department issued a consultation document about a year and a half ago on overhauling legislation on workers’ rights and safeguards for employees. It is my understanding that consultation document has not been finalised. The Minister might comment on that in his closing remarks.

When it comes to workers’ rights there are other areas in need of urgent review. Some workers are subject to very little regulation. There is very little regulation in the employment and the working conditions of au pairs. That is an issue for employees but it is also a child safety issue and an area on which I would like to see the Department focus. Obviously, the upward-only rents is another area in need of such a review.

Regarding the examinership process, giving smaller companies the option of availing of examinership through the Circuit Court is to be welcomed because many small business have been left with huge legacy debts, sometimes through no fault of their own but as a result of the economic circumstances in which the State has found itself. They are viable businesses but because of that legacy debt they will find it increasingly difficult to continue in operation. Giving the option of going to the Circuit Court is an opportunity for the owners of those companies with that odious debt around their necks to put in place good business plans and free up some capital when they come out of the examinership process. That will allow them extend their businesses and perhaps create an additional one or two jobs in the local economy. The benefits of that will be far-reaching. We will support the passage of this Bill.

Sections 3 and 4 dealing with the filings of the Companies Registration Office are to be welcomed as they bring the processes up to date. Section 5 on the disclosure of information to the Director of Corporate Enforcement regarding the functions of company directors is to be welcomed also and which we will support. On that complex area of company law, which

I am trying to get my head around having the brief only a few weeks, we could do more work on the disclosure of information, something I will tease out in committee. It is important that all information is disclosed on tax compliance, whether the company has been involved with a worker and so on. The more information disclosed, the better.

Section 7, dealing with the regulation and investigations of the penalty systems, is welcome also. Deputy Calleary made a valid point on the buy-in of professions to the system. Opening up the examinership process to smaller businesses at Circuit Court level is a significant change and there is a need for solicitors, barristers, auditors and even judges to buy into the new process. The Deputy made a valid point also on the role of the local enterprise offices, LEOs, and being able to get that information out. There is no point in this House passing legislation unless the very businesses that could avail of the examinership process benefit from that and can emerge successfully at the other end. The Minister stated at the outset of his contribution that in the region of 75% come out of examinership and continue to operate as a viable business. If that is the case, and we are opening up that process, we must be able to get that information out to those businesses and inform them that they have that option, that we are trying to deal with the issue of smaller companies' legacy debt, that we want to nurture that industry and that this legislation will go a long way towards doing that.

For that reason we will support the Bill and its speedy passage through this House if that is what the Minister chooses to do. I presume it is the Minister's intention to have the Bill passed by this House before we adjourn for the Christmas recess. If that is the case, we will help facilitate that.

Deputy Finian McGrath: I welcome the opportunity of speaking to the Companies (Miscellaneous Provisions) Bill 2013. I welcome also that the Minister, Deputy Richard Bruton, is in the Chamber. In addition to examining the legislation I will also put forward some sensible proposals.

I welcome the legislation and this debate as small businesses need our support at this difficult time in the country's economic history. We all accept that. A state that does not support its small and medium businesses is a state that is going nowhere in that it is neglecting its future and the future of its children. In recent days we have seen that, even against the odds, the SME sector is fighting back by retaining existing jobs and creating others in the current economic climate. I welcome that because there should not be any political point-scoring when it comes to this issue.

In dealing with the issue of our economy and the future of this country, we must all focus on job creation, and a strong SME sector is vital in that regard. It is important to state that. We must also recognise people who come up with new ideas and schemes to create jobs. That is being done in the food sector, and those in the tourism industry are filling hotel rooms and taking on new staff. Those are the areas on which we must keep an eye in terms of job creation but we have a Minister who is considering reintroducing the holy hour or closing pubs at 2.30 p.m. as part of some weird health policy. He needs to wake up and smell the coffee because nowadays the pub is about food as well as about serving alcohol and drinks. Food is a very important part of the pub trade. I urge caution in terms of anybody trying to damage that sector because the serving of food, in particular between 12 p.m. to 4 p.m. and in the evening, has huge potential. Pubs are employing young people and are taking on extra staff, which the Minister identified in recent interviews. This is an extra dimension to the pub in the context of the tourism sector. It is important Ministers keep their eye on the ball in regard to this issue.

We need constant reform and new ideas which will create jobs. It is the duty of the Opposition to challenge and hold this Government to account. It is also the duty of the Government to listen to new and constructive proposals to assist job creation and small companies, with which I will deal later.

This Bill seeks to facilitate low cost Circuit Court examinership for small businesses. Currently, the examinership process can only be initiated through the High Court. This Bill also enables the Irish Auditing and Accounting Supervisory Authority to impose a levy to cover the cost of carrying out quality assurance of statutory auditors and firms. The examinership provisions were envisaged in the Companies Bill 2012 and these are being fast-tracked. Essentially, that is what this legislation is about and we need to be very conscious of the details of it. As I said, I welcome the legislation and will support it because if somebody comes up with an idea which will help job creation and small businesses, we should give it our full support, regardless of our politics.

It is important the Government, the Minister and Members on all sides of the House are open to new ideas. I would like to put forward a number of ideas to assist businesses and companies, some of which I would like the Minister and the Government to consider. Would the Government think about having an entrepreneur loan scheme? Many people laid off work are experts in their areas and many consider setting up small businesses or becoming their own boss. However, a major block is resources but for a small outlay of as little as €10,000, many of them could get underway and set up a basic home office, buy tools, etc. Those who do this may find the business is successful and, therefore, will not need unemployment benefit. It is also crucial to encourage those with such talents away from nixers and the black economy.

An entrepreneur loan scheme should be established. This would work very well and on a similar basis to student loan schemes for third level education in other jurisdictions. I propose that a person could apply for a loan from the Government that would be limited to a small amount and that nothing would need to be paid back for the first two years of the enterprise. If the business is successful, the loan would be repaid out of the business over the following five years. If the business fails, the loan could be repaid via social welfare or Revenue or over a long period of say eight years. I am talking about giving a start-up loan where people have constructive ideas and need to get businesses up and running.

In terms of the cost, the exposure of the taxpayer would be very limited as the money would be repaid, unless the individual left the country and even in that case, the individual would no longer be claiming unemployment benefit. It would encourage small-scale entrepreneurship which may allow some people to come off unemployment benefit. It offers a greater opportunity for the individual than having to approach a bank. As the Government could pretty much guarantee repayment, the individual would not have to jump through hoops to obtain the loan. It would be a business decision on his or her part. That is a proposal about which I would like the Minister to think.

There has been much talk and hype about third level education. Why do we not consider setting up a special group tasked with identifying foreign firms, in particular in the UK and US, which have strong growth potential but which may not have become multinational as yet? These would be medium-sized firms with potential to grow in highly skilled areas. The group should seek to establish links between the Irish third level sector and firms for research and development purposes. Firms at this level may have limited research and development facilities and problems getting access to universities. The aim should be to ask them to establish incuba-

tor units in conjunction with the universities and institutes of technology in Ireland. That may offer a platform to encourage them to move their research and development to Ireland. That is a second proposal at which I would like the Minister and the Government to look.

A number of people have asked me to raise the issue of PRSI. It is time to look at and come up with new radical ideas, although I am not saying all of these will be workable. For example, we could have an employer PRSI waiver in order to attract major foreign direct investment. Large firms proposing to locate in Ireland and employing in excess of 300 people could be entitled to an employer PRSI waiver for the first three years. This should not be limited to employees taken off the dole as this is too narrow to be attractive to a firm. Even if employees move from another job, it still creates openings in the market. There is a hit here for the Exchequer but, alternatively, it would be handing out money for unemployment benefit and such major foreign direct investment in Ireland is the quickest route to reducing unemployment. We need to look at these ideas.

An important issue on which we have not touched and about which we hear from small businesses is commercial rates. For owners of small businesses employing 15 to 20 people and small pubs and restaurants to have to pay say €37,000 in commercial rates for the year before they get out of bed in the morning is a very difficult hit. I urge the Government and the Minister to look at that issue. These commercial rates are squeezing small businesses. A number of my colleagues mentioned rent, which is another major hit for them. Local authorities need to wake up.

We had a very good debate in the House last Friday on town centres and moving the economy into them. We need to come up with new ideas. We must look at reducing costs for small businesses so they can take people off the dole. That must be drummed into this Government because it seems to be going around this week accepting that everything is fine. I accept there has been a major improvement in the number of jobs created but we need come up with new ideas.

In 2012, 32 companies went into examinership, 16 with a normal status, eight in liquidation, one in receivership and seven still in examinership. In the programme for Government, this Government promised to introduce new legally binding voluntary commercial debt plan structures to allow small businesses to restructure debts without recourse to expensive court procedures. This was included in its Action Plan for Jobs. The Government said it would examine the feasibility of introducing a new structured and non-judicial debt settlement and enforcement system to meet SME needs. That is very important, is part of the reform agenda and is why I support this legislation. If somebody comes up with a Bill which is strong, tight and will help SMEs, one has to go for it, in particular in the current economic climate where every job created is a major bonus for the State.

It is important to look at Dublin. I know the Minister of State, Deputy Ring, is always pushing Westport.

Deputy Michael Ring: And rightly so.

Deputy Finian McGrath: I accept that. It is a fine town. I hope Councillor Hyland is getting on well down there.

Deputy Michael Ring: He is going well.

Deputy Dara Calleary: The Minister of State will see him on Sunday.

Deputy Finian McGrath: He is doing a great job for the local economy. I have been in Westport many times. I have seen what the SME sector there has done. When I was there in September, I was impressed to see how the restaurants in the town have looked at the pricing issue. It is positive that they have made an effort to put together packages for families and tourists, etc. We need to be very supportive of such necessary initiatives. While there are many examples of places like that, the Government has to keep an eye on Dublin. As a representative of Dublin Bay North, it is important that Dublin is seen as a major part of any economic development. I strongly believe Dublin city is still Ireland's key economic driver. The Dublin region must be prioritised if it is to develop. Particular attention must be given to encouraging people in other regions to understand the benefits that a successful Dublin can have for them. Other regions can compete with Dublin for investment on an ongoing basis, but this should not stop Dublin from being identified as a region that is entitled to attract jobs and competitively deliver the key infrastructure the State needs. There is no reason for a strategy of divide and conquer.

The Luas and DART projects must go ahead because they will be major components of Dublin's future. The Government should give special consideration to the jobs that will be put at risk in the city centre during the construction period, which will last up to ten years. The current PRSI and tax schemes that encourage companies to take on unemployed companies should be adapted to allow the businesses that will be affected by these works to avail of certain benefits, such as waivers for existing employees, during the long construction period. This might help to stem the job losses that could result from decreased footfall. Dublin city must be funded if it is to compete. Certain activities, such as traffic management and the provision of bus corridors, place a significant burden on Dublin City Council. I suggest that other local authorities should be liable for some of these costs. Perhaps a specific city innovation fund could be established for the Dublin region to encourage investment and new thinking in this area.

When we are talking about the centres of cities like Dublin, we must focus on the importance of the hospitality sector not only from the perspectives of job creation and tourism, but also with regard to how city centres are used. People do much of their big shopping in shopping centres. They are keen to get value for money with regard to issues like parking. We should be more radical in this regard. Our city centres should be places for leisure. It is great if small businesses in city centres get support, but there should not be an over-concentration on that. Thousands of people come to Dublin for sporting events like international rugby matches. They go around town looking for nice restaurants and hotels. That is why it is important for us to focus on the hospitality sector.

If we are to look after the needs of tourists, we must ensure there is a quality policing service on the ground. If a strong community policing service is not provided, people will be afraid to come into the city centre. I remind the House that 33% of people in Dublin have a mental issue about feeling safe in the city centre. We need to bring those people back. I call the approach that should be used to convince them to do so "the Havana approach". When one walks down the streets of Havana in Cuba, as I have done, one does not see any anti-social behaviour because there is a community policeman or policewoman every 200 yards. They look after the tourists and the local people. I urge the Minister to consider this example. People might slag Cuba for other reasons, but when it comes to community policing in the centres of cities like Havana, there is an example of good policing practice that prevents a great deal of crime. Tourists from countries like France, Canada and Ireland are looked after. I have been there and I have seen how it works on the ground. I felt very safe in Havana, which I am using as an example.

If we want Dublin city centre to develop commercially and economically, it is important for it to be safe. At the moment, 33% of people in Dublin and around the fringes of the city have concerns about the safety of the city centre. We need to win back our city and town centres. They belong to the people and should be controlled by the people. If Dublin is to compete internationally, social policy must be accelerated. We need to face the fact that Dublin remains at the bottom of many league tables relating to quality of life issues. Business costs remain a significant problem in the city of Dublin. It is important that we stimulate competition among those providing office space to rent. We must consider ways of utilising a significant percentage of the derelict and under-used buildings in the city. We need to up our game in this regard. It is a question of getting on with it and doing it.

Dublin is heavily reliant on bus transport. Dublin Bus currently locates every bus terminus at the side of the street. This is a particular deterrent for commuters because of the lack of shelter, the overcrowding on pavements and the disincentive to queueing. It offers the potential for fatal accidents, as has been seen in the past. Buses have to be parked somewhere until it is time for them to depart. This adds to traffic congestion. Consideration should be given to the utilisation of an area of land - possibly in the docklands - for the establishment of a city bus terminus that could be used by Dublin Bus and private operators. All buses would terminate and begin from this location. A significant number of people would be encouraged to walk to the bus terminus to avail of better shelter and less crowding. That would cause the pavements to be less congested. The availability of bus parking facilities in the area would reduce the traffic congestion caused by lines of buses waiting on the streets. Essentially, the city centre would be a set-down area only. It would become an entirely moving district. Such ideas for improving the city centre need to be considered.

The use of mobile technology and information and communications technology in Dublin could be improved. The Minister, Deputy Bruton, and the Minister of State, Deputy Ring, are aware of these issues. Mobile service providers and information and communications technology companies should be asked to suggest ways to improve this. I have already spoken about the issue of high rents. If an improved working from home scheme were introduced, this would reduce rents and alleviate consumer congestion. Most employers are unaware of how simply this can be enacted and the savings that can arise. An attempt to change the culture of working in Dublin should be considered to make use of mobile technology. This would allow workers to carry out activities from home, rather than having to be in the office five days a week. We need to consider radical ideas for dealing with these issues. We need to find sensible ways of supporting the SME sector.

I will go back to the details of the legislation. We need to concentrate on the other significant legislation that relates to this Bill, such as the Companies (Auditing and Accounting) Act 2003, which established the Irish Auditing and Accounting Supervisory Authority, and the European Communities (Statutory Audits Directive) Regulations 2010, which give EU effect to law in this area. Both of these enactments are amended slightly by this Bill. When I examined section 8 of the 2003 Act, I was reminded of a number of things that should have been done in this country over recent years. I often ask myself why they have not been done. Section 8 of the 2003 Act provides that the Irish Auditing and Accounting Supervisory Authority has four principal objectives, the first of which is “to supervise how the prescribed accountancy bodies regulate and monitor their members”. I wish this had been done in the past. The second objective is “to promote adherence to high professional standards in the auditing and accountancy profession”. Many questions have been asked in that regard following the crash and the

banking crisis. The third objective is “to monitor whether the accounts of certain classes of companies and other undertakings comply with the Companies Acts” and with Article 4 of the international accounting standards regulation. The fourth objective is “to act as a specialist source of advice to the Minister on auditing and accounting matters”.

We need accountability and efficiency. We do not need to talk about it. This legislation is doing something about it. I welcome that because it is important. We have to be strongly supportive of the SME sector. I welcome the publication of this legislation because it will give businesses a break, deal with the costs issue, help small companies and - hopefully - lead to the creation of more jobs and the development of this country and its economy.

Debate adjourned.

12 o'clock

Leaders' Questions

Deputy Billy Kelleher: The Tánaiste's comments, quoted in the media yesterday, about reducing taxes for the coping classes in the years ahead were very interesting. I am sure that was for an audience not here but in Killarney over the coming weekend.

The residential mortgage arrears and repossession statistics for quarter three reveal a damning indictment of the failure of everybody trying to deal with mortgage arrears. Almost 32,000 are now 720 days or more in arrears. While the Tánaiste is talking about commitments to reduce taxes on the coping classes in the years ahead, this cohort of people is now under huge stress and pressure. It seems nothing is being done for them. Recently, the Governor of the Central Bank said he was tearing the hair out of his head because of the banks' inability to deal with this issue. However, families are tearing the hair out of their heads because no proper restructuring offers are being made to them.

In reference to the 0.5% decrease in quarter three, which is the first decrease since 2009, the report states: “However, this decrease masks divergent trends between short-term and longer-term arrears.” While we acknowledge the statistics with regard to the short term, the long-term arrears represent a massive problem that needs to be addressed. To date, the Government, the Central Bank and most importantly the banks themselves are failing to address that issue. They are now including threatening letters as a solution to mortgage arrears of 720 days or more.

We have previously called for independent oversight to assess what is a sustainable solution. I would be very concerned about a potential property bubble in some parts of Dublin coming to bear again and we will see banks move very quickly on these families for repossessions and sending threatening legal letters.

The Tánaiste: There continues to be a serious problem with mortgage arrears. The Government's plan for tackling that mortgage arrears problem is based on one important premise, which is keeping the roof over people's heads. Today's figures show that some progress is being made. The statistics show a decline in the overall stock of principal dwelling houses with mortgages in arrears relative to the figures for the end of June. This is the first decrease in the outstanding balance since the series began in September 2009. It shows that the Government strategy in tackling mortgage arrears is working and that banks are engaging proactively with

their customers to find solutions.

In addition, early arrears declined significantly during the reporting period with a quarter-on-quarter fall of 6%. This appears to demonstrate some success by the lenders in addressing the accounts in early arrears and putting in place appropriate measures to prevent borrowers from going further into arrears. The number of principal dwelling house mortgage accounts, which are categorised as restructured at the end of September, now stands at 80,555, an increase of 1.5% when compared with the previous quarter. Consumers and lenders are agreeing permanent restructures for those in arrears or those who think they will fall into arrears. Engagement with banks and borrowers is crucial to securing sustainable mortgages.

The Government's continuing approach to tackling mortgage arrears is based on the Central Bank, which has now set clear targets for the banks to deal with distressed borrowers, requiring them to offer sustainable solutions by the end of next year with 50% to be done by the end of this year. The Central Bank is closely monitoring the banks' sustainable solutions and auditing their work regularly. We have radically overhauled the bankruptcy rules, reducing the period from 12 years to three years. That legislation will be commenced very shortly. We have introduced the mortgage-to-rent scheme with more than 1,000 cases being progressed and more than 100 families finding a solution. The Insolvency Service of Ireland has been established, providing a range of solutions to resolve debt problems. The Central Bank has issued a revised code of conduct on mortgage arrears, which ensures the resolution of each case in a fair, sustainable and transparent way. The Central Bank is working to find solutions for people with multiple-debt issues because in some cases it is not just the mortgage as other debts are involved.

Deputy Billy Kelleher: I have also read the synopsis of the report and there are two key areas the Tánaiste has not mentioned. I repeat a sentence I already quoted: "However, this decrease [the 1.5% the Tánaiste mentioned] masks divergent trends between short-term and longer-term arrears." The report continues: "PDH mortgage accounts in arrears of over 90 days at end-September 2013 amounted to 99,189, an increase of 1,315 on the previous quarter." This means there is an increase in the number of people in mortgage arrears of 90 days or more. Within that cohort there are 31,843 residential mortgages in arrears of 720 days or more. This cohort cannot wait for the Tánaiste's hope to help the coping classes and have to be dealt with immediately. A threatening letter from a bank simply does not represent a solution.

An Ceann Comhairle: A question, please.

Deputy Billy Kelleher: Would the Tánaiste agree that threatening letters are not the way to address this cohort of people? There has to be meaningful engagement and a certain element of independent oversight. At the end of the day a bank's only interest is to protect its capital base - that is its obligation. Surely the Government and the Central Bank have an obligation to those people to have some independent oversight to assess what is a sustainable solution primarily for these 32,000 families whose mortgages are in arrears of two years or more.

The Tánaiste: I acknowledge there is a problem with people who have been in arrears for a very long time. It obviously follows that the longer it takes to resolve those arrears problems, the more they are to go into arrears. These are people who are now suffering the legacy that Deputy Kelleher and his colleagues left to them. We need to get sustainable solutions for those people who are in arrears. It will be done over a period of time on a case-by-case basis.

There is progress on the arrears. There have been 45,177 permanent mortgage restructures

up to the end of September. The total number of mortgage accounts in arrears has fallen by 2,316. The number of mortgage accounts in arrears of 90 days or more has also fallen by 1,468. It has to be worked through. The strategy we have in place is one where the Central Bank has set targets for all of the banks and lending institutions to work with people in mortgage arrears. They will now be working within a legislative framework that strengthens the hand of the borrower. The introduction of the insolvency service and the new legislation reducing the period of time for bankruptcy from 12 years to three dramatically changes the balance between the borrower and the lender.

These will need to be worked out on a case-by-case basis. It will be a gradual process. Clearly, those in longer-term arrears are in a more difficult situation. Clearly, it will require a greater degree of effort and engagement for those arrears problems to be resolved. However, we are making progress on it. We want to see further progress made. I agree with the Deputy that the solution for anybody in mortgage distress is not to get a threatening letter.

Deputy Dara Calleary: That is the language.

The Tánaiste: The solution is for an engagement between the bank and the borrower so that a solution can be found as quickly as possible. That is the approach the Government supports and that the Central Bank requires banks to implement.

Deputy Billy Kelleher: I hope the Tánaiste does not tell that to the delegates in Killarney. They would not be too happy about it.

Deputy Brian Stanley: Plans are going ahead to build three major projects on the national grid. These are at various stages but will provide 490 km of new power lines. That may be needed. The North-South interconnector has been delayed by seven years because 97% of landowners, 213 in total, are refusing EirGrid access to their land to do environmental impact studies. Grid Link, which covers the south east and Leinster, is meeting substantial opposition. The consultation period has been extended to January and we welcome that. Grid West is likely to go the same way. People are very concerned about long rows of pylons and their impact on farming, landscape, tourism, the devaluation of property and possible health implications.

In 2007, EirGrid claimed that putting cables underground was not technically feasible or reliable. Since the publication of the Government's independent expert report, however, EirGrid concedes that putting them underground is feasible and reliable. It is now a question of cost. In Denmark, new 400 KV cables are being put underground. EirGrid has the information on this. The recently completed East-West interconnector, 40 km of which is underground in this State and 30 km in Wales, cost €2.2 million per kilometre, almost the same as the estimate for the overhead lines, which was between €2.1 million and €2.3 million per kilometre. This does not include the losses due to delays. Chambers Ireland estimates that the delay in the North-South interconnector alone costs €30 million per annum. Over seven years that is €210 million if the estimate is accurate. Even if it is half right, that amounts to more than €100 million in losses on that project.

I want the Tánaiste to take into consideration the long-term costs. I told the Minister for Communications, Energy and Natural Resources last week that there are operational costs and we must consider the long-term costs. Look where short-term thinking got us in the past. The Tánaiste and his Government have rightly criticised that but I want them to think for the long term. If we put the cables underground, they will last longer. It will reduce transmission losses

and disturbance to cables because they will not be affected by severe weather conditions. There will be lower maintenance costs and less damage to the landscape and environment and less visual impact. The Minister said last week in reply to me that he was open to carrying out a cost-benefit analysis on underground versus overhead. Will the Government commit and change policy to do that?

Deputy Finian McGrath: I blame the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte.

The Tánaiste: The Minister has extended the deadline for submissions on the pylons issue to 7 January. I encourage the Deputy to submit, as part of that process, the information he has given and the case he has made in the House. It is important the consultative process is full and all the information and cases that people have to make on this issue are made and considered.

There is another issue that we must consider for the long term. We all know that the extension of the electricity grid and the availability of energy and electricity supply are critical for the generation of employment and economic development, particularly in the regions. Some regions have experienced economic difficulties and difficulties in attracting investment and employment. It is critical there is an adequate energy supply to all the regions. In considering this issue, we must consider the long term. It is clear that EirGrid has an obligation, and the Minister has drawn attention to this, to operate, first, on the basis of consulting the public and listening to what they have to say on this issue; second, to comply with the planning processes in place; and third, to take the highest possible international standards for all the issues that must be considered, including environmental, and whether the cables should be under or over-ground. A study on whether cables should be under or overground was carried out in respect of the Meath-Tyrone project. The Deputy is aware of the outcome of that study. All these issues must be considered as part of the consultation process, which the Minister has extended to 7 January.

Deputy Brian Stanley: In 2007, EirGrid estimated that to put the cables underground would cost up to 25 times more than putting them underground, but by 2009, it had changed that to seven times the cost. The Minister, Deputy Rabbitte, said recently that it is imperative for State companies and developers of energy projects to have an early, transparent engagement with local communities and stakeholders. I welcome that statement. EirGrid management confirmed to our party, as late as yesterday, that the consultation process deals only with the issues of routes, corridors and direction, not underground versus overhead. This is a key flaw in the planning process. I welcome the Tánaiste's comments that he is willing to think about things in the long term. We have had enough problems in recent decades caused by short-term thinking and we are still tidying up after that.

There is a major flaw in the planning consultation programme process if it is not prepared to consider the issue of the viability and long-term cost of underground versus overhead. We want to deal with this properly because it involves billions of euro of taxpayers' money. Will the Government commit to having EirGrid correct this and ensure all options are considered as part of the consultation and planning process? The Tánaiste should send out that signal.

The Tánaiste: The Minister has extended the consultation period to 7 January and I encourage everybody who has an interest in the issue to make their case in advance of that deadline. Nobody should be constrained about what case they make. People who have an interest in this issue, whether public representatives or members of the public, people who are likely to be af-

affected by it or who have an opinion on it, should make their case. I encourage them to do that.

The Deputy refers to costs and he has set out a range of figures. We have to be mindful that the cost is ultimately borne by the consumer so if there are additional costs associated with particular options, that cost will be reflected in the price of electricity to the domestic consumer and to businesses for which energy costs are a consideration when creating employment. I expect all these issues will be fully thrashed out and will be part of the consultation process that will take place up to 7 January.

Deputy Joan Collins: A very important judgment was given in the High Court this week relating to the Credit Institutions (Financial Support) Act 2008. The then Labour Party spokesperson on finance, Deputy Joan Burton, said in a debate on that Act that: “One of the difficulties with giving the Minister a blank cheque is that it can invoke what economists and philosophers like to call the law of unintended consequences.” No one debating and voting on the 2008 Act knew the size of the blank cheque or the scale of the unintended consequences. We certainly know them now. This legislation remains on the Statute Book and the extraordinary powers given to the Minister for Finance are still in place. Will the Tánaiste, as deputy leader of the Government, raise in Cabinet the need to review and amend, or better still, repeal this Act?

The Tánaiste: First, in regard to the promissory notes, which were the subject of the case taken by the Deputy to the High Court and on which High Court on Tuesday gave a judgment in favour of the State and ruled in favour of the State on all substantive grounds, the Government’s approach has delivered results for Ireland. The reality is that the promissory notes have been part of Government debt since they were issued in 2010 by the previous Government. It was never, therefore, an option for the State to renege on those payments, as non-payment would be akin to a sovereign default.

Deputy Dara Calleary: It was back in 2011 - Frankfurt’s way or Labour’s way.

The Tánaiste: The agreement which was reached in February 2013 in regard to the promissory note debt represents the best possible outcome available for Ireland and has been acknowledged as such by numerous independent commentators. The agreement was the culmination of many months of political and technical negotiations with our partners and provides a significant benefit to Ireland by eliminating the annual promissory note payment, reducing the State’s cash borrowing requirement by €20 billion in the next ten years. Any suggestion that we would cease making interest payments on this debt is akin to potential default and carries with it substantial threats to our reputation. The approach the Deputy is recommending would, I believe, undermine the 250,000 jobs directly and indirectly supported by foreign direct investment-----

Deputy Billy Kelleher: Was it not Labour Party policy before the election?

The Tánaiste: -----would make it very difficult to borrow the funds required to finance vital public services such as social welfare, health and the education systems, would further increase the cost of credit in the economy and have significant implications for our exit from the bailout programme. On the other hand, we are now in a situation where we are exiting that programme, we have resolved the issue of the promissory note, we have liquidated Anglo Irish Bank - the IBRC, as it became - to which the promissory note was being paid, and, as we have seen this week, we are now creating in the region of 1,200 jobs per week. It is important that we do not put the progress we have made at risk.

Deputy Joan Collins: That was a speech the Tánaiste should have given last night in the

debate rather than sending in his junior Ministers to respond to the Technical Group's Private Members' motion. Again, in the role of Labour finance spokesperson in 2010 on the question of extending the timescale of the powers given under the Act, then Deputy Joan Burton, in briefing the Labour Party parliamentary party and urging a "No" vote, said: "Labour does not do blank cheques". Now, it is standing over a blank cheque. The question I asked was will the Tánaiste, as deputy leader of this Government, raise in Cabinet the need to review and amend or, better still, repeal this Act because it is giving a blank cheque to this and future Ministers to pay up to any limit to bail out banks and financial institutions. This is even when we now know the full, unintended consequences. Is this not another capitulation by Labour to Frankfurt?

The Tánaiste: I do not know where the Deputy is getting the idea of a blank cheque. The fact of the matter is that this Government-----

Deputy Joan Collins: Is he suggesting this was not a blank cheque? They said it themselves in 2008.

The Tánaiste: There is nothing blank about it. It was very clear. It was predated cheques that were signed by the previous Government. They were predated cheques for €3.1 billion every year, to be paid in March, for a period of ten years. There was nothing blank-----

(Interruptions).

Deputy Billy Kelleher: They continued to pay them. They honoured every one of them in full.

Deputy Paul Kehoe: Find Deputy Micheál Martin.

An Ceann Comhairle: Settle down, please.

The Tánaiste: There was nothing blank about them. What we had to do-----

Deputy Billy Kelleher: They had to do another U-turn on their policies. Is that what they had to do?

Deputy Paul Kehoe: Find Deputy Micheál Martin.

The Tánaiste: What we had to do was to renegotiate that-----

A Deputy: We had to clean up their mess.

Deputy Finian McGrath: I think they have woken up over there.

The Tánaiste: -----which we succeeded in doing in the early part of this year, saving the taxpayers of this country €20 billion in the process. I will not take, from Deputy Kelleher or anybody else, on the issue of the bailout-----

Deputy Peter Mathews: Deferring, not saving.

The Tánaiste: I have it here. The vote was taken on 20 November last, so we do not have to go back to 2010. Twenty-five Deputies, including Deputy Joan Collins and Deputy Billy Kelleher, voted against exiting the bailout.

(Interruptions).

Deputy Finian McGrath: Not me. Get your facts right.

The Tánaiste: Deputy Finian McGrath was clever enough - he voted the right way. He got it right.

(Interruptions).

The Tánaiste: Down there for dancing, Finian. Well done. However, the rest of them - the troika 25 who voted to keep us in the bailout - I am not taking any lectures from them this morning on economics, blank cheques or anything else.

Deputy Joan Collins: It is Frankfurt's way then, is it?

Deputy Pat Rabbitte: The Tánaiste could not be right about that. They did not vote against leaving the bailout, did they?

The Tánaiste: They did. Not, Finian. Finian got it right, and Mick and Ming got it right, but the rest of them got it wrong.

Deputy Pat Rabbitte: I was away that day. I did not know that happened.

Deputy Paul Kehoe: Finian was hitting Barry with the crutch.

Order of Business

The Tánaiste: It is proposed to take No. 11a, Health Insurance (Amendment) Bill 2013 - Financial Resolution; No. 1a, Companies (Miscellaneous Provisions) Bill 2013 [Seanad] - Second Stage (resumed); and No. 23, Road Traffic (No. 2) Bill 2013 - Second Stage (resumed). It is proposed, notwithstanding anything in Standing Orders, that No. 11a shall be decided without debate.

An Ceann Comhairle: There is one proposal to be put to the House. Is the proposal for dealing with No. 11a agreed to? Agreed. I call Deputy Kelleher on the Order of Business.

Deputy Billy Kelleher: The ephemeral joy of responsible politics - auction politics is back on the agenda again with the Labour Party conference in Killarney over the weekend. There are a number of pressing issues on which I would like the Tánaiste's view. He spoke about the coping classes and the need to-----

An Ceann Comhairle: Excuse me, we are talking about promised legislation, not about the coping classes.

Deputy Dara Calleary: Promised legislation has nothing to do with them.

Deputy Billy Kelleher: I just want to-----

An Ceann Comhairle: You are not going to read anything.

Deputy Billy Kelleher: I just want to raise the issue of the Health Insurance (Amendment) Bill.

An Ceann Comhairle: Sorry, Deputy. You are not going to read anything. You ask ques-

tions. This is the Order of Business.

Deputy Billy Kelleher: I want to raise the issue-----

Deputy Pat Rabbitte: I think I hear a joke coming on.

Deputy Billy Kelleher: The Health Insurance (Amendment) Bill is no joke for over 2 million people-----

An Ceann Comhairle: The Health Insurance (Amendment Bill).

Deputy Billy Kelleher: -----for whom health insurance will increase by at least 15% to 20%.

A Deputy: No, it will not.

Deputy Billy Kelleher: That is no joke, particularly for hard-pressed families. Will the Tánaiste agree to the suspension of the Health Insurance (Amendment) Bill until the HIA report has been published? We are not asking for a massive delay as it is to be published in a number of days. This would allow us to have an informed debate on the issue of health insurance, which is in crisis in this country.

On the issue of the employment permits Bill, as the Tánaiste knows, the UK Prime Minister, Mr. Cameron, is making very strong soundings in regard to concerns about the number of immigrants coming from Bulgaria and Romania. In view of the fact we share common travel with Britain, has the Tánaiste concerns this could have a major impact on Ireland? Has he given it thought and has he made his views known to the British Government?

An Ceann Comhairle: All of these are important matters but we are dealing with the Order of Business here. If we need to have debates, I do not have a problem with that.

Deputy Billy Kelleher: It is the employment permits Bill.

The Tánaiste: The Health Insurance (Amendment) Bill will be at committee next week. That will give Deputy Kelleher ample opportunity to raise whatever issues he wants to raise in regard to it.

Deputy Billy Kelleher: We do not have the report.

The Tánaiste: The employment permits Bill is due for publication this session.

An Ceann Comhairle: I call Deputy Ó Snodaigh.

Deputy Pat Rabbitte: I believe Deputy Kelleher signed that himself.

Deputy Billy Kelleher: Has he told him?

Deputy Pat Rabbitte: It was either Deputy Kelleher or Deputy Calleary who signed it.

An Ceann Comhairle: Order, please. I have called Deputy Ó Snodaigh.

Deputy Aengus Ó Snodaigh: I want to ask about three Bills but I also want to ask about a commitment made on Dáil reform in regard to the pre-legislative stage. There are a number of Bills which are still outstanding and which may be published before the end of the session.

I ask that the heads of those Bills that have not been published but which were indicated in the A list would be published now so the committees could start the pre-legislative stage of those Bills. The three Bills about which I want to ask include the official languages (amendment) Bill. Cathain a bhfuilimid chun é sin a fheiceáil agus an ndéileáilfidh sé leis an méid atá leagtha amach sa chlár? Chomh maith le sin, the housing (miscellaneous provisions) Bill is supposed to change the system from rent allowance, on which many people are suffering, to a housing assistance payment. It is long-awaited and I am trying to find out whether the expected date of 2014 will be complied with or whether there has been a delay.

I find it strange that the national paediatric hospital development board (amendment) Bill is on the section C list, which lists Bills where the heads have yet to be approved by Government. While we have heard of progress in respect of appointing CEOs and heads of development of that project and delays in respect of the national paediatric hospital, there is still no indication of when this legislation, which would oversee the development of a new national paediatric hospital, will be published. Can the Tánaiste enlighten us as to whether there has been any progress made on that important legislation?

Eamon Gilmore: As part of Dáil reform, it is the Government's intention to ensure the heads of Bills go to committee in the first instance. Some Bills are at the heads stage and others are at a drafting stage, so it depends on where Bills are. We are in the transition phase in respect of doing that. The Deputy spoke about three Bills. Maidir leis an Bille teanga, foilsíodh é an bhliain seo chugainn, 2014. The heads of the housing (miscellaneous provisions) Bill are expected this month and it is expected to be published next year. The national paediatric hospital development board (amendment) Bill is proceeding. I do not have a date for its publication.

Deputy Joan Collins: Will the Tánaiste indicate when the water services Bill will be brought to the Dáil to be debated?

Eamon Gilmore: It is intended that this Bill will go to the Seanad in the first instance to get its first reading. It will then be brought to the Dáil. It will come here when it has been completed in the Seanad. It will happen reasonably soon but I do not have an exact date. It is a matter for the other House.

Deputy Dessie Ellis: Can the Tánaiste outline when the common arrangements for gas Bill, which will amend the Electricity Regulation Act 1999, will be brought before the House? This will help facilitate gas delivery on an all-Ireland basis.

Eamon Gilmore: That Bill is expected next year.

Deputy Robert Troy: The Minister for the Environment, Community and Local Government has, once again, created great fear and anxiety with his plan to introduce a raft of new indirect taxes which will disproportionately affect the less well-off in society and further cripple people who are at breaking point.

An Ceann Comhairle: Will the Deputy let us into the secret of which one he is worried about now?

Deputy Robert Troy: I am asking in respect of the environmental liability Bill. When will that Bill come before the House and when will we have an opportunity to oppose any further indirect taxes on the people who cannot afford any more taxes?

Deputy Billy Kelleher: It is a political liability Bill.

Deputy Dara Calleary: The Phil Hogan miscellaneous provisions Bill

Eamon Gilmore: The biggest liability people of this country have is the legacy Fianna Fáil left them.

Deputy Robert Troy: Or the legacy of the Government's broken promises.

Eamon Gilmore: The environmental liability Bill is expected in mid-2014.

Deputy Dara Calleary: When will the industrial relations (amendment) (No. 2) Bill be published? Will there be any announcement over the weekend about it?

An Ceann Comhairle: Is something on over the weekend?

Deputy Robert Troy: Not too many people know about it.

Eamon Gilmore: We might replay the All Blacks match. I do not have a date for the publication of the industrial relations (amendment) (No. 2) Bill.

Deputy Brian Walsh: The Minister of State at the Department of Health, Deputy White, is engaged in a body of work in respect of the public health (alcohol) Bill. Among other things, this Bill will set minimum pricing for alcohol products. When does the Tánaiste expect publication of that Bill?

Eamon Gilmore: That Bill is expected next year.

Deputy Noel Grealish: I compliment the Garda on apprehending the gang from Dublin responsible for the recent vicious attack on the family in Tipperary. A criminal gang from north Dublin raided houses in my constituency in Galway and were caught with the help of the local people and the Garda. When does the Tánaiste expect the criminal justice (proceeds of crime) Bill to come before the House?

The Tánaiste: I join Deputy Grealish in congratulating the Garda on its success in those cases. I do not have a date for the publication of that Bill.

Deputy Thomas P. Broughan: I read this morning that the Minister for Social Protection is talking about a living wage. Is that just a tonic for the troops at the weekend in Killarney or is it something the Government is seriously considering legislating for? In respect of the industrial relations (amendment) (No. 2) Bill, talks are starting today between management and trade unions at the ESB. Will the Tánaiste be taking any steps to assist the resolution of this very serious problem in respect of the defined pension scheme for ESB workers either through legislation or legislation on a minimum standard or the €400 million which the Minister for Communications, Energy and Natural Resources and the Minister for Finance are proposing to take from the ESB this coming year?

The Tánaiste: I have answered the question about the industrial relations (amendment) (No. 2) Bill. In respect of the threatened strike in the ESB, I hope the discussions that have commenced between management and unions will be successful in resolving that issue.

Environment and Public Health (Wind Turbines) Bill 2013: First Stage

Deputy Luke ‘Ming’ Flanagan: I move:

That leave be granted to introduce a Bill entitled an Act entitled to protect the health of persons who may be affected by noise and shadow flicker from wind turbines; to give further effect to the Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters done at Aarhus, Denmark on 25 June 1998; and to provide for related matters.

This Bill is essential if the rights of home owners are to be respected. Up to now, people have had to suffer an unregulated situation whereby guidelines are the only things to protect citizens when it comes to minimum distances allowed between dwelling houses and wind turbines. It is quite clear that citizens need this Bill to be put in place to protect their property rights, health and communities. I am introducing a replica of Deputy Penrose’s Bill, which I understand is also on First Stage. Introducing the Bill increases the chances of this very important issue being dealt with in a very short timeframe. We must remember that time is of the essence. As we speak, plans are afoot to cover the Irish landscape in a blizzard of wind turbines. Before the Government allows any further developments, this Bill must be put into law.

Given that a Government Deputy has also introduced a Bill on this issue, I would like to think it would be passed. It would be strange indeed if the Government could not support a law that has also been proposed by one of its Deputies. I am delighted to facilitate the fast-tracking of a debate by increasing the chances of this being dealt with finally on the floor of the House.

An Ceann Comhairle: Is the Bill opposed?

Minister of State at the Department of Finance (Deputy Brian Hayes): No.

Question put and agreed to.

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

Deputy Luke ‘Ming’ Flanagan: I move: “That the Bill be taken in Private Members’ time.”

Question put and agreed to.

Environment and Public Health (Wind Turbines) (No. 2) Bill 2013: First Stage

Deputy Mick Wallace: I move:

That leave be granted to introduce a Bill entitled an Act to protect the health of persons who may be affected by noise and shadow flicker from wind turbines; to give further effect to the Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters done at Aarhus, Denmark on 25 June 1998; and to provide for related matters.

This Bill redresses significant gaps in the legislation concerning the planning, implementation and operation of wind farms and will increase engagement with communities affected by wind turbines. It goes beyond current guidelines by providing a legal and, therefore, enforceable framework for minimum standards of non-intrusion and protection of people living close

to wind turbines. The Bill will significantly enhance the protection of citizens and allow for increased transparency in the planning process. The Bill is vital, as it provides for a further reinforcement of the principles of the Aarhus Convention on public participation in environmental matters and will introduce international standards of health and environmental protection in Ireland.

An Ceann Comhairle: Is the Bill opposed?

Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes): No.

Question put and agreed to.

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

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

Question put and agreed to.

Environment and Public Health (Wind Turbines) (No. 3) Bill 2013: First Stage

Deputy Clare Daly: I move:

That leave be granted to introduce a Bill entitled an Act to protect the health of persons who may be affected by noise and shadow flicker from wind turbines; to give further effect to the Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters done at Aarhus, Denmark on 25 June 1998; and to provide for related matters.

This increasingly important issue affects communities across the country. The impact of noise and flicker on the health of people who live near wind turbines is significant. A legislative basis for enhanced consultation whereby communities would be listened to on these vital environmental and public health matters is required.

An Ceann Comhairle: Is the Bill opposed?

Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes): No.

Question put and agreed to.

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

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

Question put and agreed to.

28 November 2013

**Protection of Life in Pregnancy (Amendment) (Fatal Foetal Abnormalities) (No. 2) Bill
2013: First Stage**

Deputy Mick Wallace: I move:

That leave be granted to introduce a Bill entitled an Act to permit medical treatment leading to termination of pregnancy in situations where the foetus has a fatal abnormality such that it is incompatible with life outside of the womb.

This Bill allows for terminations in cases of fatal foetal abnormalities. Although the Government had a chance to include such cases in its Protection of Life During Pregnancy Act 2013, it failed to do so by bowing to pressure from right-wing anti-abortion advocates. Sadly, this has left many people in unnecessarily stressful situations where they know that their pregnancies are unviable. This means that women are either forced to continue with those pregnancies in the full knowledge that the foetuses will not survive or must travel to England to seek terminations. The experiences that these women and their partners must undergo are onerous and add to the distress of people who are already significantly traumatised.

For far too long, the State has abdicated its responsibility for women's health and well-being. The Government seems to accept that women's health care needs should be taken care of by Britain regardless of the added stresses that this entails for women in need of care or the cruelty it inflicts on people in distress. I applaud the continued efforts of the campaign group Termination for Medical Reasons, including its recent submission to the UN Human Rights Committee. It is time that it be listened to and that its demands for humane treatment by the State be met.

The Bill would provide increased protection for women's reproductive rights and would finally legislate for terminations in cases that the overwhelming majority of people in Ireland recognise need to be catered for in law.

An Ceann Comhairle: Is the Bill opposed?

Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes): No.

Question put and agreed to.

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

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

Question put and agreed to.

Companies (Miscellaneous Provisions) Bill 2013 [Seanad]: Second Stage (Resumed)

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

Deputy Joe Carey: I am sharing my time with Deputy John Paul Phelan.

An Ceann Comhairle: The Deputies will have ten minutes each.

Deputy Joe Carey: I welcome this Bill, in that it focuses on making a small number of

immediate, targeted and necessary changes to company law. Its provisions will enable us to respond quickly to opportunities and challenges arising from constant changes in our operating environment. We in these Houses must do everything in our power to ensure that it is possible to do business properly and efficiently in Ireland. I am struck by the ideas that people have for business, the pride they have in their companies and the commitment they show day in, day out in this difficult business environment.

The Bill's overall objective, with its parent legislation, the Companies Act, is to achieve the policy goal of reducing red tape and administrative burdens without imposing substantial costs on the many different types of company. With its additions, alterations and repeals, company law has over many years become cumbersome and self-serving, with many professionals who are supposed to offer expertise unable to navigate its complexity. The inevitable consequence is that it costs more, both in time and money, to do business.

I wish to address some important sections of the Bill. Section 2 deals with the examinership process. Since its inception, the benefits of examinership have been widely recognised by private companies nationwide. Due to the high costs such a process entails under current legislation, though, only 1% of small to medium-sized enterprises, SMEs, are using the courts to enter into examinership to try to trade out of their difficulties.

Access to the commercial court, located in Dublin, also presents a barrier. Small businesses employ more than one third of all people working in Ireland today, with some 200,000 businesses employing 650,000 people. The provision introducing the possibility for small private companies to apply directly to their local Circuit Courts for examinership is most welcome. It will reduce costs and travel time when a company and its people are perhaps at their most vulnerable.

There is no doubt that the process of examinership, which has now been in place for more than 20 years, has allowed many companies breathing space and an opportunity to begin again. This more affordable mechanism of examinership based in the Circuit Court can only be of benefit to smaller companies. It will also necessitate a more specific service and expertise at Circuit Court level. This fact should not be forgotten and I hope that the legislation has had and will continue to have an input from the Department of Justice and Equality.

Sections 3 and 4 on electronic filing are welcome. These provisions will facilitate the electronic filing of documents with the Companies Registration Office, CRO, as part of a company's annual return. Companies have not properly grasped the advantage presented by the electronic filing of annual returns. This is due to the requirement to file a copy of the accounts-related documents that has been certified as a true copy or a true written copy and must contain copies of the signatures of the two directors who signed those accounts. As it stands, if a company wants to use the electronic facility, it must manually scan in every single page of the hard copy. This cumbersome process has hindered and discouraged electronic filing.

Sections 3 and 4 will simplify the process of e-filing. These changes will deliver a more efficient electronic filing of accounts with the CRO by changing the relevant sections to provide that a copy can now include a document signed using typeset signatures rather than a copy of handwritten signatures of the two directors who signed the accounts. This welcome reform and change for SMEs will make the process of e-filing more streamlined, functional and easy to use.

Sections 6 and 7 deal with improving audit quality. The provisions will strengthen oversight

of the audit process and will allow for a levy on statutory auditors and audit firms that carry out the audit of public interest entities in order to defray the costs of the Irish Auditing and Accounting Supervisory Authority for carrying out the functions of external quality assurance in respect of these public interest entities. This will enable the Irish Auditing and Accounting Supervisory Authority to impose a levy on relevant statutory auditors and audit firms to defray the costs of carrying out the quality assurance function, which it is proposed will be transferred from the recognised accountancy bodies to the IAASA.

In broader business and economic terms, I welcome the confirmation this week by the Central Statistics Office that 58,000 jobs have been created in the private sector in the past 12 months. The Government's Action Plan for Jobs is creating the conditions whereby almost 5,000 jobs per month are now being created. This is hugely encouraging and illustrates that this Government's plans to get Ireland back to work are bearing fruit.

The pro-jobs budget for 2014 will further incentivise small and large business to create more jobs next year. Some 25 separate measures that support job creation as part of a €500 million package contained in the budget will help us to build on this excellent progress. The home renovation incentive scheme is a particularly positive initiative, which will allow home owners to claim back VAT on improvements carried out on their homes. This, in turn, will generate significant amounts of work for registered tradesmen and contractors. In the process, it will create jobs for people who were laid off when the construction industry collapsed.

The retention of the 9% VAT rate for the tourism sector and the scrapping of the air travel tax are welcome pro-business initiatives. As a direct result to the abolition of the travel tax, Ryanair is set to launch eight new routes next April in and out of Shannon Airport, thus creating 300 direct jobs and many more indirect jobs.

It is hugely important that there is an extra emphasis on job creation in the regions in the next action plan for jobs. While job announcements are commonplace in cities like Dublin, Cork and Galway, more attention should be given to the mid-west region, including County Clare.

I welcome the undoubted progress which has been made in coming from a situation whereby under the last Government 80,000 jobs per year were being lost in the private sector to a situation where 58,000 jobs were created this year alone. However, we need to see a concentration by the Department of Jobs, Enterprise and Innovation, IDA Ireland and Enterprise Ireland on job creation within the regions. I am calling for specific action in this regard in the action plan for jobs 2014.

I welcome the Bill's explicit commitment to facilitate business in Ireland today.

An Ceann Comhairle: Before calling Deputy John Paul Phelan, I call on the Tánaiste to move the financial resolution relating to the Health Insurance (Amendment) Bill 2013.

Debate adjourned.

Health Insurance (Amendment) Bill 2013: Financial Resolution

The Tánaiste: I move:

THAT section 125A of the Stamp Duties Consolidation Act 1999 (No. 31 of 1999), which imposes a levy on authorised insurers, be amended in the manner and to the extent

specified in the Act giving effect to this Resolution.

Question put and agreed to.

Companies (Miscellaneous Provisions) Bill 2013 [Seanad]: Second Stage (Resumed)

Question again proposed: “That the Bill be now read a Second Time.”

Deputy John Paul Phelan: I welcome the opportunity to speak on this Bill and wish to make a couple of points concerning it. The CSO’s jobs figures this week were promising and mark a significant step in the right direction, but there can be no complacency. The biggest task facing the Government is in creating jobs. It is particularly significant that this week’s job statistics were good concerning the number of long-term unemployed people in which category there was a notable decrease.

The south east continues to have the highest unemployment rate in the country despite the fact that the latest CSO figures also show a reduction our region. It is imperative for State agencies to redouble their efforts to ensure that the south east recovers more strongly in future. I hope that can happen. The Bill’s provisions will be positive not just for the country as a whole, but also the south east in particular. That is why I welcome it. The legislation before us is primarily concerned with the protection of existing jobs, given its revision of the existing Companies Acts *vis-à-vis* examinership. That is the major change contained in the Bill.

Even though I was very young at the time - I was a strange child and interested in politics - I recall being in primary school when the Companies Act 1990 was introduced. Deputy John Browne was a Member of the House then. It came in overnight in response to the perceived collapse of a significant national business. There was much controversy about it because it was rushed legislation. Ironically, however, the provision for examinership has not only been successful in Ireland, but has also been copied in many other countries around the world. The United States has Chapter 11, while Britain’s provision for examinership, which postdates ours, is similar to the one we adopted in 1990. It basically allows a business to seek court protection for a 70-day period, which can be extended to 100 days, if a number of criteria can be satisfied. Chief among them is that the business can be kept afloat and survive as a going concern. In addition, the examiner must be appointed no later than three days following the appointment of a receiver, if one has been appointed.

A number of tests are contained within the case law that has happened since to determine when a business is commercially viable and when the terms of examinership can be extended to a particular business. Chief among those tests are the company’s assets which can be clearly identified, and that the company’s liability can be secured. The company’s regulatory position must be clear concerning environmental matters, planning permissions or other outstanding issues, as well as the level of outside investment required to maintain the company’s long-term sustainability beyond the period of examinership.

The provision has a number of positive points for the company concerned, including ensuring that the company owners can remain in control of it, and that the company has court protection for the examinership period. In addition, the company will maintain control of its intangible assets. The provision also has advantages for creditors in that existing commercial relationships can be sustained into the future if a company can be kept afloat and remain in business. The probability of a dividend with creditors receiving payment of outstanding moneys is greatly increased by a successful examinership. That is why the system has been successful. I

fully support the Bill's provisions which stem from the much larger Companies (Consolidation) Bill, which has been lumbering its way through the Oireachtas for some months past. Its passage has been slow primarily because it is the largest piece of legislation in the history of the State.

The Minister for Jobs, Enterprise and Innovation, Deputy Bruton, and other members of the Government identified two or three key areas that needed to be dealt with more quickly than would apply if they were to be included in the overall Companies (Consolidation) Bill, which is still before the Oireachtas.

1 o'clock

The provision under section 2 which allows small private companies to apply to the Circuit Court for examinership protection is to be welcomed. The current position under the 1990 Act which necessitates an application in this regard to the High Court dramatically increases the costs of such an application, which for a small business can be hugely prohibitive. This provision, which allows small businesses to make such applications closer to where they operate and is available to companies whose turnover does not exceed €8.8 million and the number of employees does not exceed 50, is a necessary and positive change to the 1990 Act which, by and large, has since its enactment been very positive legislation.

I welcome section 9, which recognises the measures introduced by the Oireachtas under the Personal Insolvency Act 2012 and seeks to reconcile them with company law in this country. Sections 3 and 4 deal primarily with electronic filing of accounts with the Companies Registration Office. This initiative is aimed at streamlining and reducing the burden of costs, etc., on businesses wishing to be compliant with the Companies Acts. Section 5 streamlines another cumbersome provision of the current legislation and provides that in a situation where a designated officer named on a search warrant ceases to be an officer of the Director of Corporate Enforcement, the Director of Corporate Enforcement may seek to have another officer so designated on application to the District Court.

I welcome that the Minister has been able to expedite this aspect of the reform of company law in this country. His officials, who have been very busy over the course of the past few years in terms of the revision of company law, are to be highly commended in terms of their efforts in drafting this legislation. I support the passage of the Bill through the House.

Deputy John Browne: I welcome the opportunity to contribute to the Second Stage debate on this Bill. Fianna Fáil supports the principle of the Companies (Miscellaneous Provisions) Bill 2013, which among other things will allow small companies that are insolvent but have the potential to be rescued to apply to the Circuit Court for examinership. If properly implemented, this measure should substantially reduce costs relative to the current High Court process.

Currently, despite our broadly similar business structures only 1% of Irish SMEs in difficulty as compared with 25% of US SMEs, restructure. For this legislation to be successful, it must be endorsed by the accountancy and legal professions. The Judiciary must also be trained in the complexities of company restructurings. One of the major failings of the current system is that judges do not appear to have the necessary knowledge to deal with high powered cases.

For an examinership to be successful, the primary need of the entity that emerges is often access to credit. Unless this issue is addressed, the good intentions of this legislation may not be realised. Despite the many initiatives taken by Government to deal with this issue many small companies are still finding it difficult to access credit through the banks. In many cases, they

are not only being denied access to credit but their overdraft facilities are being substantially reduced on a regular basis.

That companies wishing to avail of examinership will be able to make applications in this regard to the Circuit Court is a welcome development. Currently, such applications must be made to the High Court. Many small companies find the idea of going to the High Court a daunting prospect and see it as the preserve of larger companies and multinationals, including, as witnessed in the past number of years, high profile developers. Many small companies would not feel comfortable in the surroundings of the High Court and justifiably believe that the costs could spiral out of control. We have had many examples in recent years of exorbitant costs in respect of matters brought before the High Court.

In Ireland, approximately 2,000 companies per year liquidate. By comparison, the level of examinerships may be as low as 30. The Minister might when responding to the debate elaborate on the reason people are reluctant to go down the examinership route. By contrast, in the United States approximately 25% of insolvent companies are restructured and given a chance of survival. In allowing small companies a more cost effective route hundreds of jobs may be saved. We are all aware of the companies that have gone the examinership route. A number of companies in my own county have in recent years gone this route. Not alone have these companies survived, they continue to thrive and expand. It is important small companies in particular are given every opportunity to survive.

As stated by Deputy John Paul Phelan, examinership was introduced in Ireland in 1990 to help save the Goodman International meat processing firm after the threatened Iraq war brought it to the brink of collapse. The company survived. Other successful outcomes in terms of examinership include Eircom, Homebase, B&Q and Thomas Crosbie Holdings. In many of these instances upward only rent provisions were a key factor. This is an issue with which past governments and the current Government has not come to grips with.

For the proposed changes to be successful the concept of examinership being handled by the Circuit Court will have to be embraced by the legal and accountancy professions. We all hope that fees will fall accordingly. There is already a worrying lack of transparency about professional fees. Members of regulated professions should be obliged to meet strict price transparency requirements. One approach to this would be to require that professionals such as solicitors, barristers, auditors and accountants be required to post prices for their services, including hourly rates, on the relevant regulator's website. All professionals should be required to provide meaningful cost estimates to prospective customers. As one of my sons is a barrister he will probably not speak to me again for calling for this type of transparency. It is an issue that should be looked at in the context of this Bill. There will also be a need for training of judges to ensure they are adequately versed in what may be complex commercial cases. The High Court is already creaking under the weight of pressures arising from the complex volume of examinerships, receiverships, liquidations and new waves of recession-related litigation. It is important this log-jam is not transferred to a lower court. If this happens, it will not be possible for small companies in difficulty to get the quick decisions they require.

This issue requires urgent and serious consideration. The Minister might when replying indicate if provision is made in this Bill for the training of judges or, if the Minister for Justice and Equality, Deputy Shatter, has any proposals in this regard. It seems that most members of the Judiciary are not equipped to deal with the complex cases that may come before them in regard to examinership. That needs to be addressed.

The Bill also provides for electronic filing of returns to the Companies Registration Office. This long overdue change will remove the burden of potentially having to scan a signed copy of each page of a company's annual report individually in order to file it electronically. We have not yet fully endorsed the concept of e-Government in this country by allowing as much interaction as possible between the State and the citizen to be done electronically. State agencies and Departments must seek to assist citizens in conducting their businesses online as a way of speeding up transactions and reducing costs. In that context, this provision is very welcome.

The Bill is a step in the right direction. It is important that members of the relevant professions should be required to operate in an open and transparent manner and that the Judiciary receive training to help them to deal with the issues on a day-to-day basis. I am sure any amendments we on this side of the House bring forward to improve the Bill will be given a fair hearing by the Minister.

Deputy John Deasy: I propose to share time with Deputy Damien English.

An Ceann Comhairle: That is agreed.

Deputy John Deasy: This Bill performs several functions which seek to facilitate companies in various ways in line with existing legislation. It is essentially technical legislation which attempts to stay abreast of changes in the commercial world in which we are operating. The Department must do what it can to assist struggling companies in what for many of them - not least in my own constituency - is a devastating business environment.

We in the south east received some good news in recent days, with the latest jobs figures showing an unemployment rate of 16.6% for quarter three of this year, a significant decline from the figure of 19.4% in the third quarter of 2012. Nevertheless, it remains the region worst affected by joblessness. Moreover, the positive jobs figures were quickly put into perspective when the news came through the same day that Hasbro in Waterford is to lay off ten people from its core workforce, with plans for further restructuring in the weeks ahead. Unfortunately, we in Waterford have become very familiar with this type of announcement. The Minister for Jobs, Enterprise and Innovation is doing everything he can to improve the unemployment situation, and it is working to a certain extent. However, that effort must be sustained in the south east and there is a long way to go.

As I said, the Bill includes a range of provisions which seek to facilitate commerce. However, I intend to focus on an issue that has as much relevance to the Department of Jobs, Enterprise and Innovation as it does to other relevant Departments. I refer to the issue of commercial rates. A front-page article in yesterday's *Irish Examiner* detailed how local authorities have been forced to write off at least €500 million in commercial rates since 2006. There was reference to businesses collapsing under the weight of their debt. Between 2006 and 2011, the article tells us, councils wrote off almost €430 million, and there has been a rapid escalation in the amount involved in each successive year. The 2009 figure, for example, was almost €65 million, while the amount written off in 2011 was €116 million. We have not yet seen the figures for 2012, but I do not expect them to be much better.

The article included the following comment from an official of the Department of the Environment, Community and Local Government:

[T]he invoicing and collection of due amounts is a matter for the local authority concerned to manage in the light of prevailing local circumstances and in accordance with

normal accounting procedures.

The article further states that the official indicated that councils were not writing off commercial rate debts lightly and would do so only if there was no possibility of collection. After all, the official pointed out, the money thus written off was not a loss to the Exchequer but rather to the local authorities' own budgets for the day-to-day running of their areas. I am not sure I agree entirely with that comment, but it is fair enough. We all know that when local authorities do not raise sufficient moneys, the Exchequer and, by extension, the taxpayer must bail them out. There are many councils throughout the country with chronically large debts. This is an issue that cannot be tackled by the local authorities alone. It is also vital for the Government to construct a rational commercial rates framework that makes sense for the times in which we are living. That is not necessarily the case at present. No one Department is to blame for what I have come to regard as the idiosyncratic, almost dysfunctional system currently in operation. It is certainly not user friendly when it comes to the essential raw material that keeps our system of local government alive, namely, ordinary businesses. In fact, part of the problem is that there is no single Department dealing with valuation and commercial rates issues.

The *Irish Examiner* article lists some local authorities as having written off nothing and others as having written off tens of millions of euro. When I have asked officials from various Departments to explain that discrepancy, there is no consistent answer other than that local authorities are supposed to write off rates arrears only in strict circumstances and it can be a subjective decision. The truth is that central government has not provided councils with clear direction in this area. We have ended up with an inconsistent pattern of write-downs and write-offs across the local authorities and there are policy and regulatory extremes involved in this. For instance, if a premises is being sold or leased, any rates arrears on that building follow the new tenant or owner. In many cases, this acts as a bar to moving on the property. I have spoken to many local authority officials about this and they have nearly all said the same, namely, that if they write off the arrears to facilitate a new sale or lease, they are potentially subject to the displeasure of the local government auditor. Nevertheless, they often proceed to waive the arrears in order to facilitate the deal and keep money moving in the local economy. This is an example of pragmatism on the part of those working in local government, but it also demonstrates a blind spot when it comes to central government and its outdated system of governance. One might argue that if we allow local authorities to write off arrears in additional circumstances, it will make the situation worse and the arrears bill larger. I would counter that by asking the Departments involved whether they know how much is lost in overall economic activity by not waiving arrears and, in so doing, jeopardising property transactions. I expect that nobody would be able to answer that question. The arrears figure is now so large that there is little option but to consider a different approach and to strengthen and underpin the discretion of local authority officials by way of legislation.

These are issues the Department of Jobs, Enterprise and Innovation needs to consider in the context of legislation on companies. They are basic facets of commercial life that should be as relevant to the Department as are such initiatives as JobBridge, JobsPlus and innovation vouchers. The €500 million in rates arrears proves that companies throughout the country are collapsing. On Committee Stage of the Local Government Bill 2013, Deputy Robert Dowds and I will attempt to correct one issue to which I have alluded. An amendment we have tabled would allow the chief executive officer of a local authority to consider submissions from subsequent occupiers of relevant properties on which an amount of rates is outstanding and to waive the amount unpaid by the previous occupier if the CEO is satisfied, based on his or her knowledge

of the local market and the vacancy rates in the area or for the category of property concerned, that in the absence of this waiver, the subsequent occupier will not occupy the relevant property. In other words, it gives discretion to local officials based on their local knowledge regarding the properties and individuals involved.

These are issues on which the Department of Jobs, Enterprise and Innovation must have a view. Sections 3 and 4 deal with facilitating electronic filing with the Companies Registration Office and remove obstacles currently faced by companies in doing so. This is a positive change, but many of the companies with which I am dealing are competing with online companies which pay no commercial rates. One might argue this point is somewhat extraneous, but all I am trying to do here is emphasise a particular issue. The Department has as much of a part to play in the area of commercial rates when it comes to companies as the Departments of the Environment, Community and Local Government, Finance, Public Expenditure and Reform and Justice and Equality and the Valuation Office. Thus far, however, the Department has been a bystander when it comes to commercial rates and that needs to change. When the Local Government Bill is being dealt with in the coming weeks it would be useful if there was some engagement on the issue by the Department of Jobs, Enterprise and Innovation.

Ultimately, all the Departments I have referred to should meet and agree on one Department to handle solely all commercial rates or valuation issues within Government. There is at present a lack of co-ordination and coherence on commercial rates. Selecting one Department as having designated responsibility for all commercial rates and valuation issues would be a good start. This is something I have spoken to the Minister for the Environment, Community and Local Government, Deputy Phil Hogan, about. It is fair to say that we are beginning to see agreement on this point. I hope the Department of Jobs, Enterprise and Innovation will consider this, along with the Departments of Finance and Public Expenditure and Reform and everyone else involved.

Deputy Damien English: I thank the Ceann Comhairle for the opportunity to speak on the Company (Miscellaneous Provisions) Bill 2013. I welcome the passage of the Bill through the House and I look forward to Committee and Report Stages in the coming weeks. I understand the plan is to have it all done before Christmas. The Joint Committee on Jobs, Enterprise and Innovation will certainly play its part to achieve that end. As Chairman of committee, I acknowledge the work done by the Department and the Company Law Review Group in the past 13 years to advise on the reform and modernisation of company law. It has been a great help to the process to have had the review group established. The group included all stakeholders and interested bodies.

The process has been a useful way to update and work on legislation and it has proved beneficial at committee level when it came to dealing with the Companies Bill. Many people have been involved in the process and it has taken such a long time but everyone has had their say. There was a great understanding, acceptance and knowledge of what was contained in the Bill and that made it easy and transparent to get it through Committee Stage. That was useful. I cannot emphasise enough the importance of the work done by the review group and the Department over a long period.

In recent months in the Dáil and the joint committee, great work was done by the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, and the Ministers of State, Deputy Perry and Deputy Sherlock, in particular, on Committee Stage in facilitating the progress of the Bill and organising briefings for all members who were interested. Great work was done by the

Minister's staff in facilitating any necessary briefings. This meant Members had all the information and a chance to get their questions answered. This was a sizable Bill to get through Committee Stage but having everyone on board made it far easier. I compliment the work done by the clerk to the committee and her staff to get that Bill through as well.

Today's Bill was originally part of the larger Companies Bill. The approach shows the importance this Government is attaching to job protection, not only job creation, in that it was willing to take this part out and try to get it done before Christmas because it is an important area. That was a wise and important move because the Companies Bill will take several months yet to get all stages finished.

It is important to introduce the changes to the examinership process at this stage because companies are under a good deal of pressure. Many companies are being choked by legacy debt and are struggling to survive and we need to do all we can to try to unravel that. This is only one part of the process. It is not the solution or the silver bullet to everything, but it will certainly make the examinership process a little easier to use or get involved in. It will certainly make it more affordable for many companies which are under pressure and which need this.

Many good companies are currently profitable on a day-to-day basis. They are creating jobs and winning business. They could grow, save existing jobs and create new jobs, but they are being held back by debt, which might have been built up or associated with another business. However, looking ahead, if that debt was not outstanding those businesses would survive and we would have more jobs. From a jobs point of view we must do all we can to get the businesses separated from the debts, if needs be. That may not always be an option but certainly some payment structure should be put in place which will mean the business will not end or terminate. That would be a great shame for an existing company which is profitable today and which could work and grow in future. We need to protect them and this Bill is part of that process.

This Bill deals with the examinership process and makes it more affordable by going through the Circuit Court as opposed to the High Court. This is altogether common sense and the right thing to do. However, we also need to help companies with this process. Earlier, I listened to Deputy Dara Calleary discussing the need to make it clear that this has actually happened. He was right. It is not in everyone's interest to broadcast that this is now an option. We need to work to advertise what we are doing. The fact that thousands of companies are going through receivership every year but so few going through examinership suggests something is wrong. The procedure is not commonly used in Ireland, possibly because of the cost of going to the High Court and so on. Anyway, it is a good way to try to get some space for a business to sort out its difficulties in a given number of days and we should encourage the use of it more. We also need to help companies, through mentoring or whatever else, to try to engage with their banks and other creditors to work their way out of debt. We have all seen it, but it is a great shame to see successful businesses pulled down by debt unnecessarily. Certainly, businesses have to deal with the debt and try to pay it off, but we need to try to protect the business as often as possible.

I urge all the banks which are dealing with customers in this situation to give more time and space and to work out solutions genuinely. I acknowledge that the banks generally try to do that if they see hope for a business and if the cash flow can sustain it. Some will allow it and some will let it go and sometimes historical issues or personalities get in the way, but we need to move beyond that. If a business is feasible everything should be done to protect it and try to pay down the debt in some way or another. The Government has a duty to do all it can in this

area as well. The Bill sends out a strong message to the effect that we want this done and that we believe in that as well and I encourage that.

In some situations there is a rush on the part of various banks or institutions to put in receivers and remove the person who owns the business from the business. That brings about high costs to run that business but that does not always work. It is often in the interests of some of the companies. If I am a receiver and I do not go in and run the hotel, public house or whatever the business, then I will not get paid high fees. There is something of an incentive sometimes to remove the business person from the equation because he will obviously get paid and that means high costs. That is not acceptable either and we need to watch that practice to ensure it is not abused.

Let us consider the way NAMA works generally. Although the taxpayer may not always fully get what is going on or fully like it, it is often in the best interests of the State to let the developer trade out and work through the business and to continue to be paid a wage. On the face of it, one might wonder why that is done, but it is because it is more affordable to the taxpayer in some cases. I understand NAMA will try to do that as much as it can when developers are co-operating and I can see the logic in that. We may not always like it when we see a developer who has large debts continue to get well paid, but there is a logic in it when it comes to value for money. The same logic should be applied to other businesses and banks to ensure that, when it is the right thing to do, the owner of the business is left in place to run it and to try to get it back on its feet. We should not be too quick to move in and put in a receiver or liquidator. In some cases high fees can apply and we do not always get the best result in terms of job creation and so on. We should watch that. The Government has a role to keep an eye on that as well.

I welcome the moves on examinership to extend the process to the Circuit Court. It makes perfect sense and it is common sense. It will reduce legal costs and make it more attractive to businesses.

I welcome the simplification of the electronic filing process. Again, that makes common sense and will reduce costs for business.

Another issue I wish to raise relates to the changes to the auditing system and the term “quality assurance”. Basically, we are going to bring in greater inspection and quality assurance, reflecting international best practice when it comes to public interest entities. We are taking public oversight back to the Irish Auditing and Accounting Supervisory Authority. The authority will do that from now on as opposed to the recognised accountancy bodies. This makes perfect sense and can only enhance our reputation abroad. I realise it is not necessary to do this in Europe but it is necessary in America and other countries with which we trade a good deal. If we did not change we would be open at some stage to questioning about that. This measure will bring clarity and confidence to our system with regard to the public scrutiny of the auditing process of public interest bodies, which include listed companies, credit institutions and insurance undertakings. It is important, in light of what has happened in the past five or six years, to have the highest standards when it comes to auditing. The measure will give great assurance in this regard. I welcome the moves on quality assurance as well. The Bill will bring in a levy to offset some of the costs the supervisory authority will have. This makes sense and I accept this is a worthwhile measure in the Bill.

While speaking on the subject of auditors, I wish to take the opportunity to raise another issue of which the Minister, Deputy Bruton, and, no doubt, the Minister of State, Deputy Brian

Hayes, are well aware, that is, auditing fees for small community-based not-for-profit organisations that are limited companies. While this issue is not part of this Bill, this is another opportunity to raise it, as much more discussion in this regard is needed.

I bring up the matter because I spoke this morning to Betty Carey from Enfield, County Meath, who the Minister of State also would know and who is one of the many local volunteers with the Baconstown Old School Childcare and Community Company Limited. As an example, this group, based in rural south County Meath, is like many other groups throughout the country in that it is not for profit in its nature and is run on a community and voluntary basis for the betterment of that area. This is similar to many other groups such as the Tidy Towns organisations, amenity groups or the Meath East Community Association, to use another local example. There is an endless number of such groups and in Baconstown, the old school was restored and developed to provide a community child care centre. It has a brilliant preschool facility that follows the HighScope curriculum. It also provides a community centre that is made available to the local community groups and organisations to use. In other words, all the group's activities are community-orientated. However, the company must maintain accounts, even though it only has only a small number of actual income and expenditure transactions. It only has lodgements for rent received from some of the child care activities and so on, while its payments mainly concern electricity and insurance. On top of being obliged to do the accounts for all this and to pay out the various accountancy fees, the company is also required to have its accounts audited at a cost that can be anything from €1,200 or €1,500 per year. In my view and that of many community groups, this cost is not a sensible use of money, which could be spent better and could go towards the community spend. This would be of much greater benefit to the local area.

I urge the Minister to continue in his efforts to address the situation of auditing fees for such small, not-for-profit community-based organisations nationwide and hope he will do his best in finding a solution for them. While this issue is being worked on, a solution must be found, as many community groups are in a similar position. It is a senseless waste of their money. I accept there must be good practice and an eye must be kept on matters, in particular if such groups are drawing down grants and so on from the Government. However, to be paying out €1,500 per year in the case of this small group or €4,000 or €5,000 in the case of other clubs, constitutes a crazy waste of money for such groups. A different way must be found of checking their accounts and keeping an eye on that because they cannot continue to afford such a cost in the present climate.

I commend this Bill to the House. It is a short Bill when compared with what it was necessary to go through over the past month in respect of the Companies Bill 2012. It is based on common sense, makes total sense and I look forward to its passage through Committee Stage and its return to this Chamber on Report Stage, hopefully before Christmas.

Deputy Mick Wallace: I broadly welcome the proposed reform of the jurisdiction of the courts in the examinership process. I note the Companies (Amendment) Act 1990 has been amended by section 2 of the Bill to allow all companies to have access to the High Court examinership process and to allow small companies the further option of applying directly to their local Circuit Court. This is in line with the recommendations of the company law review group and I note there are many other suggestions in that group's report of September 2012. The Minister might provide an update to Members as to whether he intends to implement any of them. These include the introduction of simplified administrative initiation of examinership for small private companies, that is, a non-judicial administrative procedure outside the court system

relating to the appointment only of an examiner. In addition, the group suggested a possible extended role for the new Insolvency Service to include the administrative determination as to the initial appointment of an examiner to a small company. Moreover it suggested that with certain limited exceptions, for example, a shorter initial period of protection, a higher majority of creditors being required to agree to a scheme and possible right of appeal to the High Court of creditors with significant liabilities written down, the provisions of the Companies (Amendment) Act 1990, as interpreted and developed by the superior courts, should be applied to all other aspects of an examinership that is initiated by simplified administrative act.

If the Circuit Court is to be used widely, it will be important to ensure that the Circuit Court is resourced adequately to deal with the challenges this change will present. I would not dare suggest the judges are not fit to deal with those challenges but it might be beneficial to introduce some additional training for those who may not have quite as much experience in this area as, for example, individuals such as Mr. Justice Peter Kelly, who is strong in this regard in the High Court. The qualifying conditions for a company to be treated as a small company are that the company satisfies two of the following conditions, namely, it has fewer than 50 employees, a turnover of less than €8.8 million or a balance sheet value not exceeding €4.4 million or both. Given that only very large companies generally apply for the protection of the court, as was seen lately, for example, with SIAC, can the Minister confirm whether he has considered, even in exceptional circumstances, extending the facility to apply to local Circuit Courts to those companies that are categorised as being medium-sized? In other words, I refer to a company that satisfies two of the following three conditions, namely, it has fewer than 250 employees, a turnover of less than €15.24 million or a balance sheet value not exceeding €7.62 million or both.

It has been estimated that the new provision could cut the legal costs of examinership, thereby making the process a more accessible and affordable option for small and medium-sized enterprises, SMEs, in contrast with the current requirement that all companies, regardless of size, must apply to the High Court in Dublin with the attendant costs. However, I note from the discussion in the Seanad that the Minister of State, Deputy Sherlock, could not provide an estimate or a percentage as to what savings will be made and what reductions in legal costs are available to a petitioner in the Circuit Court, as opposed to the High Court process. The Minister and his departmental officials might clarify this point. In addition, legal fees currently account for approximately half the total cost of an examinership and these clearly will be reduced to some extent by the move to the Circuit Court. In addition, the fees of the examiner, who is usually an accountant, will remain unaffected by this move to the Circuit Court. Perhaps the Minister also could clarify this matter.

A three month protection of the courts from creditor's actions can sometimes be sufficient breathing space for a company to recover and survive its difficulties and ultimately, the process can result in the saving of valuable, home-grown, SME jobs. Will it be possible for the Government to exert pressure in respect of a code, even if that amounted to soft law, in which cost was based on the worth of a company? Such a code would be beneficial. I realise Members have not yet reached the day when they dare to challenge the might of the legal profession. Perhaps such a day is coming, although I do not know. While the legal profession probably would not be keen on this proposal, it would be worthwhile and positive were the Government to make some soft law in the area, whereby the percentage of costs to be applied would be based on a company's worth.

It is worth noting that the SME sector accounts for 70% of employment in Ireland and as

such, is well worth protecting. It is a matter of fact, not opinion, that the domestic economy has suffered a lot more than the foreign direct investment operations during the years of austerity. This reform, although limited in its current form to small companies only, is very much welcome and I am glad that the Minister has listened to comments with regard to fast-tracking the enactment of this section of the Bill. Hopefully, it could be in place by Christmas. The Minister of State might inform Members as to when he believes the Bill will be enacted and operational. At present, thousands of Irish SMEs are struggling and in distress and such companies may not survive another year. Consequently, these companies would benefit hugely from a lifeline being thrown to them, such as the three-month protection of the local Circuit Court, to allow them to restructure their debts and to try to trade their way out of difficulty.

It is a pity it will have taken more than two years for the Government to fast-track this legislation if enacted by the beginning of 2014. It has been part of the Government's Action Plan for Jobs since the beginning of 2012. It is unfortunate it could not have been fast-tracked earlier. Many of the actions in the Government's latest progress report on the implementation of its action plan for jobs have their status listed as "delayed" rather than "completed". All the actions in the category entitled, Driving Entrepreneurship and Start-Up Companies, have been labelled as delayed. This is to be lamented. I refer to many actions relating to legislative reform of the State's workplace relations system, the employment permit system, the consumer and competition Bills and the Bill to revalue commercial rates.

Commercial rates continue to be a massive problem for small and medium enterprises. My businesses in Dublin are facing a revaluation of rates which will be increased by 45%. We thought the revaluation of rates would result in a more realistic rate and that common sense would be applied. Rates are now approximately 25% of rent, and this is unsustainable. The Government should take a hands-on approach to address the problem, and the sooner, the better. It would be of great assistance to the SME sector.

It must be emphasised that examinership does not guarantee the continued survival of a company, especially in circumstances where the necessary funding cannot be secured. Recent figures indicate that for every four companies which enter examinership, three will come out the other side and one will go into liquidation. The challenging prospects for companies emerging from examinerships have been attributed in part to the difficulty faced by companies in accessing money to re-invest in the business, particularly in the current climate where banks continue to refuse to lend to SMEs. Real and decisive action by the Minister, Deputy Bruton, and the Government in this regard would be of practical assistance to the SME sector. I know many people in the sector and many have told me about their problems in trying to access funding. The majority are looking to borrow money to deal with their debts rather than to re-invest. This is unfortunate and it will amount to a lost period in the development of the sector. Many SMEs face almost impossible challenges in accessing credit and this has been very damaging to the sector.

Along with others, I have raised on many occasions the failure of the Government to introduce a strategic investment bank. It will soon be three years since the Government came to office and the establishment of a strategic investment bank was mooted from the very outset. I thought it was a great idea and I was very impressed with the proposal. I am less impressed with its failure to follow through on the proposal. The so-called pillar banks might be the Government's pillar banks but it does not seem to be able to persuade them to lend to people unless they are gold-plated. This is most unfortunate.

The amendment by section 3 of sections 7, 17 and 18 of the Companies (Amendment) Act 1986 and section 128 of the Companies Act 1963, relate to facilitation of electronic filing and provision of accounts and types of true copies to be put before an annual general meeting. This also relates to balance sheets and translations and true copy rules that must be provided to the Companies Registration Office. To the extent that they facilitate easier electronic compliance with filing requirements, these changes are to be welcomed.

The proposed amendment in section 5 relates to duties and powers of designated officers in circumstances where search warrants have been issued under section 20 of the Companies Act 1990. The proposed amendment appears sensible as it allows the endorsement of search warrants issued to particular designated officers to investigate by ministerial order or order of the Director of Corporate Enforcement a possible fraud, breach of the Companies Acts or the real ownership of a company. The amendment allows these search warrants to be endorsed by a District Court judge in order to substitute the name of another designated officer in the event that the original designated officer becomes ill or has retired or resigned since the search warrant was issued.

The amendment by section 6 of this Bill of the Company Law Enforcement Act 2001 by the substitution of a new section 18 is to be welcomed. This legislative change has been requested for more than two years by the Director of Corporate Enforcement and was mentioned again in the 2012 report of the Office of the Director of Corporate Enforcement. This report noted that the ODCE and the Revenue Commissioners had shared information in respect of only ten separate matters in 2012 and that the effectiveness of the information sharing arrangements in this regard had been impacted upon adversely to a significant extent by section 77 of the Finance Act 2011 which inserted section 851A of the Taxes Consolidation Act 1997. This insertion limited the ability of the ODCE to obtain, and subsequently to use, certain information from Revenue. A legislative change which results in increased cooperation and information sharing between these two bodies, and which facilitates the prosecution of white collar crime, is to be welcomed. I note that section 6 extends the list of bodies which may report to the ODCE to include the Insolvency Service of Ireland and the Irish Takeover Panel. I note also that this information sharing may relate to offences and to non-compliance with the Companies Act, along with possible disqualification of directors orders under the Companies Act. However, the section remains framed in discretionary terms, in that the word “may” is used rather than “shall” and no obligation relating to information sharing has been created. Some Government backbenchers applauded the fact that an obligation had been introduced but this is not the case.

Although the Long Title to the Bill mentions amendments to section 26(4) the Personal Insolvency Act 2012 and also amendments to sections 17(2), 105(2), 130 and 141 of the Bankruptcy Act 1988, I do not see any such amendments in the body of the proposed Bill. Will the Minister clarify whether this is a typographical error or whether these amendments are to be included in this Bill? I note the Minister of State, Deputy Sherlock’s comments in the Seanad last week when he stated that these amendments would be introduced on Report Stage at the behest of the Minister for Justice and Equality. In the latest version of the Bill on the www.oireachtas.ie website, the version of the Bill as amended by committee does not include these amendments. It is unsatisfactory and unfair to the House to bypass Stages of the legislative process in this manner. Sadly, however, given the unprecedented level of guillotining of Bills in which this Government has engaged, we are not shocked. I ask the Minister to clarify.

The amendment proposed by section 7 is to enable levies to be imposed on statutory auditors and audit firms with respect to the external quality assurance of certain of their activities in

the field of statutory audits. Section 7 allows for the funding of the functions of a supervisory authority, the Irish Auditing and Accounting Supervisory Authority, by the imposition of a levy on a statutory audit firm carrying out audits of public interest entities. Public interest entities are public companies registered on the Stock Exchange and also insurance companies. To the extent that this section strengthens the oversight system in place in the auditing sector, it is to be welcomed. The Irish Auditing and Accounting Supervisory Authority carries out these functions instead of the recognised accountancy bodies. However, it must be noted that this was based on the model set out in an EU Commission recommendation in the matter, which specified that quality assurance inspections must be executed by a public oversight body. It should be acknowledged that this is something that was forced on the Government by the European Union rather than something it came up with in the night, so to speak.

Section 7 enables the State to make provision in respect of Article 2(4) of Commission Decision 2011/30/EU of 19 January 2011, which applies the application of investigation and penalty systems to certain third country auditors and audit entities that carry out the audit of companies incorporated in specific third countries and territories whose transferable securities are admitted to trading in the State.

The Minister does not need me to tell him that there is a great deal of tightening up to be done in this area but I welcome the broad thrust of the Bill and look forward to debating the Bill in its entirety in the House.

Acting Chairman (Deputy Joe O'Reilly): I call Deputy Ferris who I understand is sharing time with Deputy Feighan.

Deputy Anne Ferris: That is right.

Acting Chairman (Deputy Joe O'Reilly): The Deputies have ten minutes each.

Deputy Anne Ferris: I am not an accountant. I do not own a business but, like most people, my life is very much affected by the way other people run their businesses and how their accountants and auditors do their work.

The behaviour and accountability of the people who audit large corporate organisations is as important as the content of the accounts themselves. It is important to customers, employees, competitors and society at large that there is as much transparency as possible in the published audited accounts of large companies.

I will give the Minister of State an example of how things can go wrong. This week in my constituency, Bray Town Council announced the suspension of the River Dargle flood defence scheme, a €28 million project aimed at reducing the risk of flooding in Bray. It is an important project. In little over 100 years, there have been four very serious flooding events in Bray, resulting in one death from drowning and damage to thousands of homes and businesses. As with most repeat flooding, there is a recognisable pattern to the Bray floods. The River Dargle floods every 20 to 35 years. The last time the Dargle flooded was in 1986, during Hurricane Charlie. That was 27 years ago. With the added effects of climate change and more intensive rainfall patterns, the odds of flooding in Bray either this winter or next winter are so tight that I would not expect Paddy Power to accept a bet against it.

The Dargle flood relief project was programmed to be completed by October 2013. As it stands, it is only 35% complete and the contractor, SIAC Construction, is as we speak demo-

bilising and leaving Bray. SIAC Construction is currently in examinership. This is one of the country's biggest construction companies, with 550 employees and relationships with hundreds of other companies that act as suppliers and subcontractors at various sites around the country, including in Bray. People connected with SIAC are worried about jobs and debts owed. People in Bray are concerned about the risk of flooding on a project that will be delayed further by the need to appoint a new contractor.

Many questions are being asked about the Bray project. One of the most significant of these is whether the current financial status of the company was foreseeable at the time SIAC was awarded the Bray project. I do not doubt that SIAC provided audited accounts to Bray Town Council of a standard that gave the local authority sufficient comfort to appoint it to the project, but I have to wonder if things might have been different had the accounts of SIAC been required to include a declaration with regard to potential future liabilities of the company. That is one improvement the Companies Bill 2012, when enacted, could achieve for the public good.

I look forward to seeing that complex legislation come to a conclusion in the near future. In the meantime, I welcome the initiative by the Minister to extract parts of the Companies Bill 2012 for the purpose of advancing them more rapidly in the legislation before us today, in particular the proposal to amend the existing examinership provisions for small private companies. Examinership is a position that no company, employee or creditor wants to be in but it gives companies an opportunity to save employment, unlike closure and liquidation.

I am told that the law could result in a flood of applications to replicate the success of the Homebase examinership where that company used the process to restructure rents on premises. As someone struggling with a very high rent on my constituency office, I have sympathy with anybody who seeks to use the law for that purpose. The bottom line is that companies and legislators must do what is legally possible to safeguard jobs.

I welcome this legislation. I take the opportunity to thank the Minister of State, Deputy Hayes, for his continued support for us in Bray with the flood protection scheme. The people of Bray have been campaigning for funding since Hurricane Charlie in 1986. Successive Governments refused to give us the money but shortly after the general election, as the Minister is aware, and with a little lobbying from Deputies, he secured the funding for the Bray flood protection scheme, and I thank him for that.

Deputy Brian Hayes: I thank the Deputy, and it is still there. That is the important point.

Deputy Anne Ferris: That is good to hear.

Deputy Frank Feighan: I thank the Minister for bringing the Bill before the House. I hope that some of that money has been left for schemes in Athleague and Four Roads but I know the money was very well spent in Bray, and I congratulate all concerned on the work done.

The Bill before the House has already passed all Stages in the Seanad. A few issues arise regarding small businesses, which are central to jobs growth and to the economy. I came from a small business background. There are 200,000 small businesses employing over 650,000 people in towns and cities throughout the country. Many businesses face huge challenges. The retail businesses will find it very difficult to survive because of the new challenges they face. The main street is under threat with the growth in the out of town shopping centres where Tesco, Lidl and Aldi are located. That is a fact of life but many small businesses will have to reinvent themselves, so to speak.

There is a huge legacy debt problem arising from the financial crisis. Businesses are about making money, and they do not survive if they do not make money. If people no longer buy newspapers or buy their lottery tickets online, and one is in competition with the out of town shops, one must diversify. The previous Government told us to invest in bricks and mortar because of tax incentives for homes and businesses but the people worst affected by that are the home owners in negative equity. A sizeable number of small businesses have diversified into investment properties and while the businesses are quite good, they cannot cover that legacy of debt. Something must be done in that regard because these are good businesses. The ones that have survived in the past three or four years, and God knows how they survived, are now lean and trim but they have plenty of muscle because they have survived the toughest economic recession this country has ever experienced.

In the past ten years the previous Government effectively forgot about the agriculture sector and the manufacturing sector. It told everyone that the way forward was through the banking sector, shares or whatever but we found out that was a bubble that should have been investigated by that Government.

2 o'clock

It did not bother because there was money coming in from stamp duty and from VAT on building receipts and, effectively, that was keeping the Government going. Many of these small businesses are under extreme pressure and the Government must create a mechanism for them to deal with the legacy problems. It will save vital jobs. Some 500 or 600 jobs no longer come to small towns and villages, although that would be very welcome, but they come in twos, threes and fours. My business employed 30 staff, both part-time and full-time, and if it closed down, 30 people would be looking for a job. Small businesses are under much pressure but this Government is doing everything it can in very difficult times to address that.

The measures to support small businesses, including the Government's Action Plan for Jobs, must reduce the cost of an application for examinership and increase the number of small private companies which apply for examinership as a route out of difficulties. Businesses with a large potential for job creation are being held back by this legacy debt problem. I do not know how most of these businesses have survived.

The examinership for small private companies arises from a recommendation from the Company Law Review Group that the Companies Acts be amended to allow small private companies, meeting the criteria which define a "small company" in company law, the option to apply directly to the Circuit Court for examinership, which is very welcome. The Companies (Amendment) Act 1990 allows the remission of an examinership from the High Court to the Circuit Court subject to certain criteria. That is welcome because companies based outside Dublin will be able to apply for examinership in their local Circuit Court, reducing costs and travel time. Over the years, we had this love affair with going to the city but in doing so one must stay overnight in Dublin and the cost of getting a solicitor and barrister from Dublin is enormous. It will now be possible to deal with a local issue in a local area, which is very welcome.

The Bill provides for the electronic filing of accounts with the Companies Registration Office. I registered my properties with Revenue yesterday. I was putting it off until the last moment but I found it very efficient and informative. I know there were difficulties but I found it very easy. It was reassuring to know there was a helpline, which I would have used it if I had

found the process difficult.

I refer to the levy on statutory auditors or audit firms. We must look at the costs for businesses, including the cost of rates. I lease a business and I am delighted to have somebody in the newsagent shop but the rates on the business amount to six months rent. That is unsustainable and something must be done about rates for small businesses because it is strangling them. Everywhere one goes one hears people say it is not their problem or that they are looking at them, although I believe this Government is looking at them. However, it is a ham-fisted way to deal with things. In 1999, I was probably one of the few business people on the local authority and I told people then it was unsustainable. Every time money has to be put into water services or whatever, the local authority decides to put another few cent on rates. It is unsustainable.

If one walks down streets in Bray, Boyle, Sligo or Dublin, there are fewer shops paying rates because shops have gone out of existence. It is worrying that there is a proliferation of charity shops on main streets, which are very nice to go into, but I am not sure they pay rates. Many bookies are under pressure because many people are gambling online or on their mobile telephones. There has been a move to the black economy in that hairdressers go to one's house or invite people to their homes and I am not sure if money is getting to the Exchequer. Something needs to be done for small businesses in terms of rates and in this Bill to get them back working. I thank the Minister and his Department, which has been very efficient. This is another step to get people back to work.

Deputy Lucinda Creighton: This Bill is very welcome. The objective of facilitating lower cost examinership for small businesses is a sensible step. I am disappointed by the delay in bringing forward the Companies Bill on which I recall questioning the former Minister for Enterprise, Trade and Employment, Mary Coughlan, in 2009 or 2010. I understand it is not due to come before the House until 2015, so it was a wise move to extract this element from it and expedite it through the House. I am happy to support that.

The legislation goes some way to address the U-turn on policy on upward only rent reviews which we promised in advance of the last election but failed to deliver on. That is disappointing, to say the least. The reasons proffered for the failure to introduce retroactive alteration of upward only rent reviews were constitutional, which is not unusual. As is long-standing Government practice, the legal advice of the Attorney General was not published. I accept that is the norm. While inevitably legislation of this nature would have been subjected to constitutional challenge, it is fair to say that there is no legal consensus on this matter. While the Attorney General's viewpoint is, of course, persuasive to the Government, it is just that. There are alternative views from legal experts throughout the country.

There was economic consensus at the time, predominantly from commercial property owners, or creditors to commercial property owners, that retroactive changes to upward only rent reviews would significantly damage commercial property price recovery. This was understandably a significant concern for the Government in 2011 given the total amount of exposure the State had both to creditors of commercial properties and the underlying properties themselves. Combining NAMA, Anglo Irish Bank, Bank of Ireland, AIB, Permanent TSB, Irish Nationwide Building Society and EBS, the exposure was considerably higher than the entire GDP of the country, so it was a massive exposure.

We know NAMA and the NTMA were utterly opposed to the change and it is worthwhile pointing out that in the period of time since the Government's policy U-turn on that legislation,

commercial property prices rose by 0.3% in the third quarter of 2013 after a 65% fall since the beginning of the recession. Annual income returns for all property now amounts to 7.3% which is remarkably higher than in the UK and most of Europe. It is a very significant and relatively rapid increase. Ireland is now a very attractive place for foreign investors to make considerable income returns on commercial property. This includes properties leased out for retail purposes.

While buildings that are occupied by large multinational companies can bring in high incomes - I would argue that they are inflated - for their landlords, the same simply cannot be said of buildings occupied by small retailers. The ownership of office and retail commercial property is increasingly concentrated among a tiny group of foreign owners who are looking to make huge yields for their investors. There is limited or no protection for the people in the middle, about whom as legislators we should be concerned. This Bill should help smaller businesses to use the examiner process as a means of forcing reductions in rental charges. Increasing rental charges are an inevitable consequence of rising prices in the commercial property market.

I am concerned that this Bill does not go far enough to address one of the largest costs that small businesses face during the examinership process. I refer to the professional fees charged by accountancy firms, particularly in order to conduct examinership reports. This aspect of the matter was alluded to briefly by Deputy John Paul Phelan. Contrary to popular belief, the single largest cost of the examinership process is not the legal fees which are charged by solicitors and barristers. The Minister of State, Deputy Brian Hayes, is well aware of this. The single largest cost is, in fact, the fees charged by accountancy firms. While I hope the initiation of this Bill will encourage smaller accountancy firms to begin offering examinership services to struggling businesses, invariably these skills are not found in the smaller firms. Companies like PricewaterhouseCoopers and KPMG are highly unlikely to reduce their fees to help small businesses in the absence of some regulatory intervention or tool to force them to do so, or some attractive incentive to encourage them to do so.

I ask the Government to monitor closely the success of this Bill. All efforts should be made to urge the larger accountancy firms, which are far more accustomed to conducting examinerships precisely because they have been the preserve of the High Court up to this point, to offer significantly reduced fees to smaller businesses that are looking to avail of the new Circuit Court examinership process. The accountancy firms to which I refer are handsomely profiting from the State across a range of services. That has not changed since the recession started and the property market crashed. The same firms are advising the vast majority of Government agencies and Departments. Their bottom line is unlikely to be severely hit if pressure is put on them to reduce their fees or tailor or target their services to the small businesses that the Government is aiming to support and assist through this legislation. I hope some cognisance will be given to that and constructive solutions will be found. I think there would be widespread support for that in this House. Such pressure would make this extremely attractive legislation even more attractive to retailers and small businesses, the incomes of which are being stripped as a result of uncompetitive rents, which are rising at an alarmingly rapid pace.

Other Deputies have alluded to the inconsistency among local authorities when it comes to commercial rates. Many councils have an over-reliance on commercial rates, partly as a result of the decline in developer levies over the last five years or so. I support Deputy Deasy and others who have raised this issue today and consistently over recent years. Their argument that there is a need for a centrally driven effort to reduce commercial rates must be taken seriously if we are to alleviate the pressure on small businesses. It is not right that small businesses are paying for most of the services provided at local authority level. That, combined with the very

foolish decision of the Minister, Deputy Hogan, to row back on his commitment to ring-fence 80% of local property tax revenues for the delivery of local services, is putting added pressure on small businesses. We should be supporting this cohort of people if we want our economy to recover and jobs to be created. I thank the Chair for his indulgence. I thank the Minister of State, Deputy Brian Hayes, for being here with us for so much of today's debate.

Deputy Terence Flanagan: I welcome this Bill. I am delighted that the Government is continuing to recognise the importance of the small business sector for the economy. This sector is the backbone of our economy. It provides a significant level of employment. It has the potential to create more employment in the coming years, thereby helping in our economic recovery. The measures contained in this Bill will help the small business sector by facilitating low-cost Circuit Court appearances in cases of examinership. At present, the process must be initiated through the High Court, which makes it quite costly. Thankfully, the numbers have been very small to date. I suppose the numbers were low before the economic crash because the economy was going so well. Just 1% of small and medium sized enterprises resort to examinership. The rest go into receivership or into liquidation. This legislation will give small businesses that may be viable a real option. It will take the pressure off them for a period of time to ascertain whether they can be restructured or reorganised in a way that will allow them to recover, get working and grow.

The economy is going through a difficult time at present. As the Minister of State is aware, the troika has raised the issue of legal cost reductions. It has expressed disappointment that the Government has not yet tackled the question of professional fees. I have no problem saying that as a qualified accountant, I have a vested interest in the issue of the fees of accountants and auditors, which was mentioned by Deputy Creighton. All of these costs have to come down to help small businesses to be more competitive. I recognise that the Minister has fast-tracked this legislation. It was planned that it would form part of the new consolidated companies legislation, but that has been delayed because of the complexity associated with it. I refer to the extensive nature of the consultation process and the fact that the Bill in question runs to over 1,100 pages. We have to accept that.

I would like to mention some figures pertaining to small enterprises that employ fewer than 50 people. The SME sector is a significant employer. According to the figures for 2010, SMEs employ 193,931 of the 622,010 employees in County Dublin, or approximately one third of those in employment in the county. The same thing applies on a nationwide basis. A business will have to meet two of three conditions if it is to be possible for it to be placed under examinership - its balance sheet must not exceed €4.4 million, its turnover must not exceed €8.8 million or the number of employees in the company must not exceed 50. It is certainly a targeted Bill with regard to whether businesses qualify for examinership. As I have said, this legislation will give viable small businesses an opportunity to survive, expand, thrive and continue to contribute to the economy.

I welcome the recent announcement of two schemes that are starting to help small business, the microenterprise loan fund and the credit guarantee scheme. They are starting to make a difference, which is good news from a small business point of view.

There was a recent announcement of the first development capital fund of €125 million to be invested in SMEs, with the money being used to help them expand and generate employment opportunities. The Department of Jobs, Enterprise and Innovation, Enterprise Ireland, AIB and the European Investment Bank will all help with the fund. I have no doubt the Minister for

Jobs, Enterprise and Innovation, who is a constituency colleague of mine in Dublin Bay North, will help SMEs in our constituency to benefit from the fund and expand their businesses. The 9% VAT rate is working very well in the tourism industry. Now that the travel tax has gone, the airlines should be able to increase their numbers of passengers and help tourism here.

The Bill will probably result an increase in the number of examinerships each year, as the process will become easier and cheaper. What numbers are expected to go through this process? It has been suggested that additional resources will be needed in the courts to make this workable. Obviously, if there is an increased demand, more resources will be needed and perhaps the Minister of State will comment on that. Will he comment also on reform of the courts system? There is a perception among the public that not enough is being done to extend court sitting hours and introduce greater efficiencies in the operation of the courts and the legal system in general. It is a bit rich for legal people to look for extra resources when more reform is needed. We have started with reform in this House and there is no reason not to have proper legal reform which the public very much demands.

I have concerns over banks refusing credit to SMEs. We hear stories every day from business owners that the banks are very risk averse. Nobody is making decisions within the retail branches. All decisions have to be referred to headquarters and in some instances even further up the line. What help is the Government providing to encourage banks to meet their lending targets? It is felt, rightly, that more needs to be done in the area to get the banks to do what they are meant to be doing.

I attended a meeting today in Sutton with the Minister for Jobs, Enterprise and Innovation about the Action Plan for Jobs. It was a very successful and well-attended meeting. Concern was raised that there is no single website providing information for people considering starting a small business. There is much red tape between various Departments and more work remains to be done in that area.

The Minister of State has responsibility for procurement. There is still confusion about the Government's bundling and unbundling of certain projects, and small businesses feel they are being discriminated against. I know the Minister of State introduced the prompt payments legislation and no doubt most Departments are doing good work in that area. It has been stated, however, that there are delays in getting payments from the HSE and perhaps the Minister of State would follow up on that.

There is a role for business organisation in the leaving certificate curriculum to encourage entrepreneurship. There need to be more case studies of real-life situations in order that young students have it in their minds. There is a great opportunity for young people to get involved in business and that should be encouraged actively.

Minister of State at the Department of Finance (Deputy Brian Hayes): I very much agree with my colleague's last point. Business organisation is not just important in school, but is also important in the Dáil to ensure we are all knowledgeable on these matters.

I thank the Deputies on all sides who contributed to this Second Stage debate. As was said at the start of the debate, the Bill is very focused and aims to deal with a limited number of discrete issues requiring immediate attention, some of which have been highlighted during the debate. The primary impetus in introducing the Bill is the Government's commitment to expedite the reduction in costs for businesses associated with examinership by allowing small private

companies to apply directly to the Circuit Court for the appointment of an examiner rather than first having to apply to the High Court with the associated costs of such an application.

The measures in sections 3, 4, 7 and 8 can reduce administrative burdens by making it easier to file accounts and other documents electronically and by providing for enhancement of audit quality. Sections 5 and 6 will facilitate the more effective exercise of corporate enforcement. Section 9 amends the Personal Insolvency Act 2012 in regard to the determination of applications for a debt relief notice and will facilitate the processing of these applications by the Money Advice & Budgeting Service. The amendments to the Bankruptcy Act 1988 will have the effect of reducing the costs associated with bankruptcy.

Subject to the approval of the House of the Bill, in the interests of consolidation of company law, it is intended that the measures in sections 2 to 8, inclusive, will be merged into the Companies Bill 2012, which passed Committee Stage in this House on 6 November. I thank Deputies for the huge amount of time they spent in working on that Bill, which greatly helped it.

I understand it is intended that Committee Stage of this Bill will be taken shortly and will be expedited through this House. It has gone through the other House. There is no foot-dragging on the part of the Government. On the contrary, we want this through and on the Statute Book as quickly as possible.

Deputies Calleary and Browne referred to the need to ensure practitioners and judges have the expertise and knowledge to deal with examinership cases before the courts. The provisions in section 2 will give effect to the expanded role of the Circuit Court. Obviously it will take some time for these legislative changes to become bedded in, and for judges and practitioners to be fully cognisant of the changes in the law. The law is constantly evolving, and practitioners and judges must always keep abreast of developments across all spheres of law. For instance, there have been changes to family law and environmental law and changes on foot of EU directives, for which judges and practitioners must have regular regard in respect of understanding changes in this area. It will be no different when it comes to examinership law.

Court resources are a matter for the Minister for Justice and Equality, Deputy Shatter, and his Department. The Department of Jobs, Enterprise and Innovation will work with the Department of Justice and Equality to make the necessary administrative support available. I agree very much with Deputy Calleary's point that it is important that this legislation be publicised and promoted and that the measures contained in the Bill are explained fully to practitioners and judges alike.

Transparency was raised, particularly in regard to professional fees. This can be reflected on and considered in the context of the Legal Services Bill 2011, which colleagues have mentioned. In response to Deputy Wallace's point, the Company Law Review Group considered extending the Circuit Court examinership to medium-sized companies but did not recommend this in its final report.

The provisions in respect of the Personal Insolvency Act 2012 and the Bankruptcy Act 1988 were incorporated into the Bill on Report Stage in the Seanad yesterday and the Bill was passed by the House last evening. Several Deputies mentioned the simplification of procedures. The Company Law Review Group considered introducing a new structured and non-judicial debt settlement scheme for SMEs which concluded that examinership without court involvement would not be feasible given the strong constitutional rights to private property in Ireland. Our

Constitution requires that any compulsory write-down of debts for less than market value requires compensation for the loss and consent of the creditors to a court order, whether by substantive approval or a scheme of arrangement or a right of objection to the courts involved.

Deputy Calleary raised the issue of protection for the term accountant. My understanding is that legislative protection for the term accountant was also raised in the context of the Companies Bill 2012 and is being further examined by the Department of Jobs, Enterprise and Innovation. Deputy English raised the question of the audit obligations for community and voluntary schemes. The Companies Bill 2012 contains a provision to extend the audit exemption to guarantee companies, companies in a group situation or dormant companies that meet the threshold. I think the thresholds in that case are €8.8 million maximum turnover and €4.4 million maximum balance sheets or employment of 50 people. That Bill passed Second Stage in the Dáil on 25 April of this year and Committee Stage took place on 6 November. When that Bill is fully operational, it will deal with Deputy English's point.

The points my colleagues have raised will be carefully examined as we prepare for Committee Stage but it is the clear intent of the Government to expedite this legislation so the examiner-ship regime and the changes we are making therein will greatly help businesses in this country.

Question put and agreed to.

Companies (Miscellaneous Provisions) Bill 2013: Referral to Select Committee

Minister of State at the Department of Finance (Deputy Brian Hayes): I move:

That the Bill be referred to the Select Committee on Jobs, Enterprise and Innovation pursuant to Standing Orders 82A(3)(a) and (6)(a) and 126(1) of the Standing Orders relative to Public Business.

Question put and agreed to.

Road Traffic (No. 2) Bill 2013: Second Stage (Resumed)

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

Acting Chairman (Deputy John Lyons): I call Deputy Peter Fitzpatrick. He wishes to share time with several other speakers. Is that agreed? Agreed.

Deputy Peter Fitzpatrick: The Road Traffic (No. 2) Bill 2013 aims to improve road safety. It allows for blood to be taken from an incapacitated driver following a collision. It introduces preliminary impairment testing to better identify and stop drug-taking drivers. The Bill introduces a low disqualification limit for learners and novice drivers and makes other changes to the current road traffic laws. There has been a 65.7% fall in road deaths in Ireland between 1997 and 2012 which has been attributed to a significant improvement in compliance by road users with the law on the main collision causation factors such as seat-belt wearing, speeding and alcohol-related offences. Better driver behaviour has also been attributed to Garda visibility.

These changes came about through successive Bills, dealing with permissible levels of alcohol, penalty point sanctions for risk-taking behaviour, vehicle testing and vehicle safety. However, 2013 is proving to be an anomaly in terms of road safety. As of 12 August 2013, 118 people had lost their lives on Irish roads, an increase of seven on the corresponding date in 2012. The Garda Síochána points out that, as happened last year, a significant number of people

killed were not wearing a seat belt. This was the case for 13% of vehicle occupants this year, drivers and passengers. A total of 80% of collisions occur on roads where the speed limit is 80 km/h or above. Drivers aged from 21 to 25 remain the group of drivers in which there is the highest number of road deaths.

Just over half of the fatal collisions, 56%, involved a single vehicle, usually due to loss of control and collision with a roadside object such as a tree, ditch, fence, wall, etc. The majority of fatal collisions, approximately 63%, occur on local and regional roads outside built-up areas. To date in 2013, more fatal collisions have occurred on Friday afternoon and evening than at any other time. Figures for road traffic incidents recorded by the Garda as of 31 July 2013 are: driving while intoxicated, 4,542; mandatory alcohol testing checkpoints, 42,915; total breath tests at checkpoints, 249,793; dangerous driving, 1,766; and section 41 detention of vehicles, 11,786. Figures for fixed charge incidents as of 30 June 2013 were: speeding, 95,820, and not wearing a seat belt, 5,974.

On foot of a review of the penalty points system in 2012 and the comments on the review by the Oireachtas Joint Committee on Transport and Communications, several adjustments are being made to the penalty points regime, such as introducing ten new penalty points offences, penalty points on payment of a fixed charge for two offences, raised penalty points on payment of fixed charges in respect of 18 offences and raised penalty points on conviction in respect of 16 offences. The Road Traffic (No. 2) Bill 2013 aims to contribute further to road safety through allowing for the taking of a blood specimen from an incapacitated driver following a collision where the treating doctor does not consider it prejudicial to the health of the person. The sample can be taken without permission of the incapacitated person but permission must be given before the sample can be tested.

Setting a lower disqualification threshold for novice and learner drivers means that they will be disqualified from driving after acquiring six penalty points. This measure aims to ensure that these drivers do not engage in risk-taking behaviour. Allowing for intoxication impairment testing by the Garda Síochána in order to determine more easily whether a person is impaired by taking alcohol or drugs and introducing penalty points for a range of offences such as not displaying an "N" plate or a tabard as required. It also increases points for some existing offences such as speeding, using a mobile telephone while driving and for not wearing a seat belt.

Deputy Seán Kyne: Road safety is an issue on which there has been substantial progress in the past decade. Improving safety and saving lives on our roads is a concern for all parties and all Members of this House. Credit is due to the Opposition, the former Government, for commencing strategies and reforms at a time when there was a death on Irish roads for every day of the year and more besides. Much credit is also due to the current Minister for Transport, Tourism and Sport, Deputy Leo Varadkar, who has made road safety a priority for himself and his Department.

Thankfully, we have witnessed a 65% fall in road deaths over the period 1997 to 2012, with 2012 being the safest year ever on Irish roads. This is due to a combination of factors. We have better compliance with common sense measures such as seat belt wearing and a reduction in drivers driving under the influence of alcohol. We have better enforcement systems, with the penalty points systems now an intrinsic feature of road safety. We have the national car testing service, which guards against mechanical failures and promotes vehicle roadworthiness. We have a restructured driving test system under the direction of the Road Safety Authority. This system has ensured that securing a driving licence is more challenging than ever before and

requires a high standard and awareness of good driving. We have a dedicated Garda Traffic Corps, an enhanced system of traffic monitoring and a more comprehensive information system which provides motorists and pedestrians with real-time information. All of these innovations have combined to substantially reduce road injuries and deaths in Ireland.

Regrettably, however, this year's figures seem to be creeping upwards, a fact which demonstrates how vital it is for us in Oireachtas Éireann to continue our work at updating and reforming road safety legislation and so empower other authorities and bodies to continue their vital work. In tandem with this Bill, the Government has commenced recently the fourth Irish road safety strategy to run from 2013 to 2020, which will see the implementation of 144 actions designed to make our roads safer. Among these are further changes to the driver licensing system, some of which are contained in this Bill. It is a fact that the more experience we amass at an activity, the better we will be. Requiring learners to build up a log of informal driving experience, alongside the formal, mandatory 12 lessons with qualified instructors, is welcome. Furthermore, the lowering of limits for disqualification of less experienced drivers will also act as an incentive to be more careful and mindful on our roads.

I note with interest, however, the point that a disqualified driver will still be able to commence driving following a set period of time without undergoing any educative or rehabilitative courses. I am encouraged that this anomaly is currently under scrutiny by the RSA and the Department. However, it would be a mistake for anyone to believe that newly-qualified drivers or learner drivers are the only groups in need of education on safe driving practices. Bad habits die hard and are compounded over time. There are many drivers on our roads who have had full licences for many years but who are capable of poor judgment and poor skill in terms of driving. Who can forget the incredible step taken some decades ago to solve the backlog of driving test applications? Anyone who had used two provisional licences was able to obtain a full licence without even sitting a test. Thankfully, we have travelled a good distance from such a ludicrous idea, which showed scant regard for road safety.

The one perennial threat to road safety is speeding. A spokesperson for the Garda Síochána recently commented:

There is no doubt that excessive or inappropriate speed plays a significant factor in collisions and in particular what happens to those involved. We know from our analysis that 4 out of 5 fatal road traffic collisions are occurring on our roads with a speed limit of 80 km per hour or more. Reducing your speed, and ensuring you and all your passengers wear a seat belt, could be the difference between life and death.

Every driver needs to understand the fundamental fact that less speed means more control. With more control, drivers are better able to react to the unexpected and are, therefore, in a much better position to avoid collisions.

Pedestrians also have a role to play. Driving in my constituency of Galway East involves travelling on roads of all types in urban, suburban and rural settings. The development of Galway city, for example, has been such that built-up, modern roads with street lights are but seconds away from older, narrower country roads with no lighting. The stark difference exemplifies the importance of visibility and of pedestrians using reflective clothing such as vests and armbands, which are available free of charge from local authorities such as Galway County Council.

I commend the Minister and the RSA in regard to last week's decision on changing the 80 km/h signs on country roads. These have been the source of much derision for a long period and made no sense. While we could explain them in terms of the decision taken to convert to kilometres a number of years ago, they were very hard to defend as being necessary. I am delighted with the change.

In England, a new system has been implemented to combat speeding. Drivers caught speeding are now being offered the choice of accepting penalty points and the associated financial consequences these bring, or of attending a special workshop focusing on speeding and its often deadly consequences. This approach is rooted in education and acknowledges that educating, informing and explaining very often achieve better outcomes. I cannot think of a better outcome than that which saves lives.

Deputy Paul J. Connaughton: I am grateful for the opportunity to speak on this Bill. Recent years have seen a very impressive drop in the number of fatalities on Irish roads and I know Members on every side of the House wish to see that particular graph continue to decline. When one considers that, in 1997, some 472 people lost their lives on Irish roads and the target for 2020 is to reduce that to 124, this means thousands of people are alive today who, without the driver safety initiatives of recent years, would undoubtedly be dead or seriously injured as a result of an accident. The trend, thankfully, has been constantly downward, and every step must be taken to ensure this continues.

The figures relating to road deaths are very easy to rhyme off, but we all know the immense pain and loss that lies behind each one of those figures. Such deaths cause untold suffering for years and decades to come, especially in cases where no one is brought to justice for the accident. I note that this week gardaí in County Galway renewed an appeal for information on a hit-and-run in Ardrahan last year. On 16 November last year, a 65-year-old pedestrian, Gerard Keane, from Ardrahan was hit by a vehicle that did not stop. I wish to publicly state my support for that renewed appeal.

Young drivers aged 21 to 25 continue to be the highest group for road deaths, so much of the focus has to be on their behaviour. One element of driver behaviour is seat-belt wearing, and when one considers that almost one in eight of those killed on Irish roads last year was not wearing a seat belt, it becomes clear that changing driver behaviour will save lives. Drugs and alcohol are also contributory factors in many fatal accidents. I welcome the fact the Bill currently before the House reduces the threshold for disqualification for novice and learner drivers, which aims to underline to them the seriousness of taking alcohol and driving.

In changing times we need to ensure that the law keeps apace with modern living, for example, the increased penalty points contained in this Bill for use of a mobile telephone while driving, an offence to which Members on all sides of the House need to give much greater consideration. Increased drug use is also another facet of modern life and it is not just among the 21 to 25 year old age group that this is prevalent. It is frightening when one considers that a 2008 study by Hibernian Insurance found that one in three young drivers in Ireland had driven under the influence of drugs, yet no comprehensive roadside drug testing mechanism exists, unlike in Australia, where such testing is carried out at the roadside. There are a huge number of people driving every day under the influence of illicit drugs, but there are also, I believe, many thousands driving around while extremely impaired through the use of legal drugs. One need only speak to anyone involved in addiction services to fully appreciate the scale of the problem that exists in terms of people addicted to extremely strong but legal substances. Huge resources

have been invested in terms of combating legal drugs such as alcohol but, to date, little attention has been paid to the multitude of drivers on Irish roads under the influence of stimulants and sedatives. Whether it is Valium, Xanax, morphine or codeine, to date, those drivers have faced little prospect of detection, while undeniably being a serious menace on our roads.

I note that the increase in penalty points is targeted at many of the areas that have been highlighted in road safety statistics and reports, such as the wearing of seat belts, but I very much welcome the reduction in the number of penalty points for not having an NCT certificate. The idea of penalty points is that bad drivers would accumulate penalty points over time and thus would risk disqualification, but in the current economic climate we must ensure that many poor families do not face disqualification because of poverty.

The provision in this Bill which allows for blood to be taken from incapacitated drivers is welcome. I am glad to note that while the permission of the incapacitated person is no longer required, a specimen will not be requested if the taking of a blood specimen is judged prejudicial to the health of a patient by a doctor. I also welcome the introduction of preliminary impairment testing to identify drug driving, which, hopefully, will result in further decreases in the number of lives wasted on our roads.

Some people would argue that the reduction in drink driving was a result of higher Garda visibility and, while I believe this was one element in the success, I also believe the investment in strong television advertising was a crucial element in changing social attitudes. The same level of resources now needs to be invested in drug driving. Such advertising would have to, on the one hand, emphasise the dangers of taking illicit drugs and driving, but, on the other, and even more importantly, underline how reckless it is to be driving when seriously impaired by legal drugs.

The past 15 years have seen a necessary and welcome reduction in road deaths. However, if that trend is to continue downward, we must continually update our legislation to reflect the changing pace of modern life. I believe this Road Traffic Bill aims to do just that.

Acting Chairman (Deputy John Lyons): I call Deputy John Paul Phelan, who has five minutes.

Deputy John Paul Phelan: I am not sure I will use all of the five minutes, although seeing that the turnout from the Opposition is so huge today, I might use a bit more than five. I want to echo some of the points made by Deputy Kyne when he spoke about the Minister's recent announcement with regard to the 80 km/h road signs on country roads with grass often growing in the middle of them, which were a bit incongruous to say the least. I am glad the Minister has taken a very common sense approach to that issue.

I also welcome the recent announcement of the latest updated road safety strategy. It has been striking in recent years that there has been a significant reduction in the number of fatalities on our roads but it also worth pointing out that those figures have started to increase slightly in recent months, so it is not an issue people can afford to be complacent about.

I want to raise two areas with the Minister in respect of this Bill. The first one relates to the clocking of cars - by that, I mean vehicles that have a particular number of miles or kilometres travelled that are sold by person A and eventually end up with person Z with less miles on the clock than there were originally. In respect of the NCT and the certificate and disc awarded to people once their cars have been tested, there is an opportunity for the mileage recorded at the

time the test is carried out to be included on the certificate. I have been presented with a few cases recently where people who have sold cars have found out later that those cars were sold on with less mileage than when they were originally sold. The NCT certificate is an opportunity that can be used to put in writing the mileage of a car at a particular time to overcome this issue to some degree.

The other issue I wish to raise concerns learner and novice drivers. These are people who are either learning to drive or driving in the first two years after qualifying. Under the system of penalty points that applies to every driver, a driver is disqualified once they have 12 penalty points. There is a proposal that disqualification would come into effect at six penalty points for learner and novice drivers. At a time when there is also a proposal that three penalty points would be awarded for a speeding offence, this proposal would mean that for a learner or novice driver, two relatively minor speeding offences would result in disqualification, which is too draconian. I ask the Minister to look at the possibility of increasing the disqualification threshold for novice drivers from six to seven penalty points. It would ensure that relatively minor speeding offences would not result in the loss of a licence for a period of time because I do not think that is the purpose of the legislation.

Everybody must acknowledge that the penalty points system has been a success since its introduction. It has changed driving habits. I must admit that it has probably changed my habits. I have received a number of penalty points over the years like all politicians who are on the road night and day. It has changed my own driving habits and has worked but I do not believe learner and novice drivers should be penalised in the manner envisaged in this legislation and have their licences suspended after six penalty points and that a speeding offence would automatically generate three penalty points. That is too burdensome a suggestion and I ask the Minister to look at increasing the threshold to seven points

Acting Chairman (Deputy John Lyons): Deputy Breen is sharing time with Deputy Feighan and possibly Deputy Harris. Is that agreed? Agreed.

Deputy Pat Breen: I welcome the opportunity to contribute to this debate and I am delighted to see the Minister in the House. I commend him on his determination to improve road safety since assuming office. I must also commend the work done by the RSA and An Garda Síochána. Everybody is contributing. However, without the man at the top pushing the agenda, we would not have seen the results we saw last year, which was the safest year on our roads in the past ten years. Like all things, we cannot be complacent because 20 more people have died on our roads this year.

I know many of us watched the television on Sunday, 17 November, which was World Day of Remembrance for Road Traffic Victims. We saw at first hand families' stories of victims killed or maimed in car accidents. According to the RSA, 23,405 people have died on our roads since records began in 1959. That is a huge figure. In addition, a further 76,129 people received life-changing injuries over the period from 1977 to 2012. These statistics speak for themselves. It is as if the population of Ennis was wiped out over that period of time. Ennis had a population of just over 25,00 in 2011. That is what one is talking about in a small country like Ireland.

Behind these statistics are the sad stories of families who have been left devastated by the death of their loved ones on our roads. Today, I would like to again extend my deepest sympathy to the wife and family of Pius O'Neill, the latest road accident victim in County Clare who

was tragically killed last week on the road between Shannon and Bunratty. He was a young married man in the prime of his life and his death has been a personal blow to his wife and the communities of Sixmilebridge and Quin. It is important that we remember that there are 164 other families who are also grieving as a result of deaths on the road this year. One death on our roads is one too many so it is important we take whatever steps are required to improve road safety. That is why the passage of this Bill will make a valuable contribution in this regard.

Legislation enforcement has already contributed to a significant decrease in the number of motorists driving while under the influence of alcohol. According to Garda figures, one in 49 people or 19,848 people were detected drink driving in 2007 and that by 2012, that figure had fallen to one in 23 people or 8,747 people. At this point, we must now focus on strengthening the law and giving the Garda increased powers in respect of drug driving. We talk a lot about drink driving but drug driving is something we must focus on. While I acknowledge that there was a 69% decrease in the number of recorded offences of driving or being in charge of a vehicle while under the influence of drugs in 2012, the laws need to be tightened up to support the Garda in its efforts. When a garda stops a driver who he or she suspects is driving under the influence of drugs, it can prove very difficult to detect the drug driving because the driver may not be as visibly intoxicated as a person who is intoxicated with alcohol. Statistics bear up my opinion that we need to tackle this issue. A 2008 survey carried out by Hibernian Insurance revealed that almost one in three young drivers have driven their car under the influence of drugs. That is one in three too many.

Gardaí need to be able to carry out a road test so they can form the opinion that a person is drug driving. This is why I welcome section 11, which gives gardaí the power to carry out this preliminary impairment test. International evidence has shown that the carrying out of a preliminary impairment test does yield results. This has been shown in studies in the UK where it has been found that preliminary impairment tests can detect up to 64% of drivers who are drug driving. The RSA has claimed that the absence of a roadside test for drugs means many drug drivers are not being caught. I believe that the introduction of the preliminary impairment test will prove to be a deterrent for drug drivers and I welcome its introduction.

Statistics show that young drivers aged between 21 and 25 continue to be the single highest age group when it comes to road deaths and that approximately 63% of these deaths take place on local and regional roads. We are all aware of the amount of local and regional roads in our constituencies. In spite of the fact that a speed limit of 80 km applies on these roads, 80% of fatalities are occurring in the 80 km zones so it is clear that speeding is a real problem.

3 o'clock

It is the cause of many deaths on local and regional roads. While drivers should always drive at a speed to suit the road conditions they encounter, the fact is that each road having a maximum speed limit encourages drivers to go that fast, placing themselves at risk. In many cases, if one turns off the main road of a town or village with a speed limit of 50 km/h or 60 km/h, the side road has grass growing down its middle and a speed limit of 80 km/h. The majority of drivers are responsible, but it is because of such cases that I welcome the recommendations of the speed limits working group, which were set out by the Minister this week and will have a real impact, particularly in respect of people who insist on driving recklessly.

The 80 km/h signs on rural roads will be replaced by new signs showing a black circle with a diagonal. One can notice these signs when driving in other countries. This is a welcome

development, given our network of local and regional roads. I hope that it will improve road safety. Obviously, it is not possible to drive at 80 km/h on many of those roads, but some drivers use the limit as an excuse to drive at excessive speeds.

My local authority, Clare County Council, has taken a proactive approach to road safety not just for motorists, but all road users, including cyclists and pedestrians. I commend the council's road safety section on its work. As well as reviewing speed limits from time to time and improving road surfaces, it is also making a valuable contribution by educating people and taking the message to the county's schools.

Despite the media and educational programmes, particularly the graphic advertisements on our television screens, we still need to do more to get the message across to young people. For this reason, school visits are a positive initiative and we must continue to get the message out there. Given the fact that we live in a technological age, we should be making greater use of the variety of media outlets to get the message across. The majority of people are involved in social media. In fact, 81% of people between 18 and 24 years of age use Facebook. Some 1 million tweets are sent in this country everyday and we have 600,000 Twitter users. For this reason, I am pleased that the Road Safety Authority, RSA, has a presence on Facebook and Twitter. It needs to continue expanding its presence in social media, as this may result in good behaviour on our roads.

The other element in which a real impact can be made in reducing road deaths is in the maintenance and improvement of our road network. Motorways are statistically safer roads, as traffic only goes in one direction on them. In this light, I welcomed the National Roads Authority's news yesterday to the effect that it anticipates that the contract for the construction of the new M17-M18 Gort-Tuam motorway will be signed in early 2014. This matter is also of interest to the Leas-Cheann Comhairle. This project will eliminate traffic bottlenecks along the existing route, making it safer. It will also provide a much needed boost for the Shannon Airport Authority by facilitating easier access and reduced journey times for travellers from the north west as well as enhancing the region's attractiveness as a location for foreign direct investment, FDI.

Tackling and repairing our rural and regional roads is also important if we are to drive road safety. I welcomed the Minister's initiative last year when he allowed councils to transfer 30% of their restoration improvement moneys to the discretionary grant for use on road and bridge maintenance and repairs. From speaking with officials and engineers in Clare County Council, I know that it made great use of that money by improving roads. For this reason, I ask the Minister to maintain this provision.

I am delighted to have had an opportunity to contribute on the Bill. My colleague in County Clare, Deputy Dooley, raised concerns about the Bill last week, but the Minister has announced that he intends to introduce an amendment on Committee or Report Stage. Legislation plays a critical role in changing attitudes. Combined with enforcement and publicity campaigns, the Minister's determination to improve road safety is important and I support him in this.

Deputy Frank Feighan: I welcome the Bill. I thank the Minister and his Department for the work they have done in ensuring that people are safer on our roads. That drivers will be defined as novice drivers during the first two years of their full licences and will need to display N plates are welcome provisions.

Deputy Breen alluded to the fact that 33,000 people had died on our roads since 1959. This is an unacceptable figure, amounting to ten times the number who died during the Troubles. These people are sometimes forgotten. Through the new agencies, the Minister has worked hard to ensure that people are much safer on our roads.

Like everyone, I have driven too fast. I used to have six penalty points on my licence. This ensured that I slowed down, especially when going through towns and villages. Speed cameras and the penalty points system have slowed many people down.

I have found out that, while driving, I can bring up on my dashboard a display of how fast I am going. It is in big writing, so I can see whether I am doing 60 km/h, 59 km/h or 58 km/h. Digital dashboards are effective, although other instruments can also be used. I always used to look at the clock, but I was not able to gauge whether I was doing 60 km/h or 65 km/h. This point is worth highlighting. I found the digital system useful after I decided that I needed to do something about my driving.

I received two points six months ago, but I did not receive notification of them. I understand that the notification was probably sent out, but I did not get it. Eventually, I was notified that I needed to appear in court in Carlow. I went there on a Wednesday, got a lawyer to represent me and spent the entire day in court. Thankfully, that was the end of it, but there must be a better way of notifying people that they have gained two points. The letter did not appear in my office. Had I received it, I would have paid the fine immediately and accepted the two points. I do not know any garda who could have got the points quashed, but even if I did, that would be the last thing that I would do. As politicians, we must obey the law. We are citizens of the State and if I get two points, it is my fault, not anyone else's.

Deputy Billy Kelleher: The Deputy should get on to his constituency colleague.

Deputy Frank Feighan: I may not have been that good of a politician. I just wanted to put that example on the record.

Turning to paramedics and the health field, road traffic accidents have led to a significant loss of life and many injuries in recent years. The advanced paramedics and paramedics who attend accidents on the side of the road must deal with horrific injuries. I pay tribute to the fire service and other accident and emergency services. If one gets involved in a road traffic accident, paramedics, advanced paramedics and the ambulance and fire services will deal with one on the side of the road and use an air ambulance to move one to a suitable accident and emergency unit as quickly as possible. I pay tribute to the men and women who provide that great service to our country.

Work has been done to ensure that drivers are made aware of the fact that they are controlling self-propelled vehicles that can kill. Systems need to be in place to penalise us if our driving is out of control. The points system is one of the country's best ever initiatives. It has saved lives. I congratulate the Minister once again.

Deputy Dan Neville: I welcome the Bill and congratulate the Road Safety Authority's initiative and the work it has done since its foundation. The number of road deaths and injuries has fallen but, of course, one road death or injury is one too many.

The Bill has wide implications and allows for blood to be taken from an incapacitated driver following a collision. It introduces preliminary impairment testing to better identify and stop

drug driving. Alcohol and drug abuse have serious implications for driving, so any measures that could control that situation are to be welcomed.

I am sure that such measures will be carried out with sympathy and understanding for people who may be injured or otherwise incapacitated as a result of road accidents. It is necessary to do so, however, and the measure is welcome. The Bill will introduce a lower disqualification limit for learner and novice drivers and makes other changes to road traffic law.

Friday afternoons and evenings are the worst times for fatal collisions. Drivers account for the majority of those killed on the roads - 61 people so far this year, which is 52% of those killed. Young drivers aged 21 to 25 are the single highest group involved in road deaths, so targeting this area will hopefully have a significant effect.

The majority of serious road accidents, with multiple deaths, usually occur late at night or early in the morning and involve younger drivers. In County Donegal, we have seen serious road accidents occurring so it is important to target that area. Regrettably, the 2013 rate of road deaths and injuries looks set to be higher than last year's when 162 people died on our roads. By August, seven more people had lost their lives but the number has increased since then.

Nevertheless, significant progress has been achieved since Ireland first began to pursue a strategic approach to road safety in 1998. From 1997 to 2012, road deaths decreased by almost 66%. Ireland is now the fifth safest country in the EU for road collision fatalities per million of population. That is the case despite a significant increase in the number of cars on our roads.

I am concerned about the slow progress of the Adare by-pass. I have discussed the matter with the Minister, Deputy Varadkar, on numerous occasions and I know he is sympathetic to the issue. Progressing that project is necessary for people travelling west of Limerick City. It would also enhance Adare's tourist potential. Many commuters travel through Adare to and from work in Limerick City and tailbacks on Friday evenings can run for several miles. That congestion also causes serious problems on county roads which can be used as rat-runs. Members of the public and political representatives in County Limerick continue to be concerned about the slow progress of the Adare by-pass project.

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): I extend my thanks to all Deputies who took part in this debate. I am encouraged by the general support for the Bill. Hopefully, it will be enacted and the measures implemented quickly once the legislation has been passed by both Houses of the Oireachtas.

I reiterate that I am happy to consider some of the issues raised during the course of this debate. Many factors contribute to road safety. There are physical factors such as the standards set and the maintenance of vehicles, as well as the quality of our roads. There is also the human factor and this Bill deals predominantly with that.

Deputy Ellis mentioned the need for driver responsibility and I fully agree. We can pass legislation, gardaí can enforce the laws and the RSA can instruct and educate but, ultimately, responsibility rests with road users to behave in a careful and considerate way. We need to encourage a higher concern for personal safety and the safety of those with whom we share the road.

I will now deal with the issues raised by Deputies in the course of this debate. Concerns were raised by Deputy Dooley about the Government's commitment to road safety. I can as-

sure Deputies that the Government remains fully committed to it. This is the third piece of road traffic legislation that this Government has approved since coming to office and all three have contributed - and will contribute significantly - to improving safety on our roads.

In my opening statement I mentioned that I launched a new road safety strategy earlier this year. This strategy was endorsed by the Government and involves the commitment of significant resources to implement the actions identified. This will be done by many Departments and agencies across the public sector.

Deputy Dooley also raised the issue of hit and run and the measures he is proposing to strengthen the legislation in this regard. The House had the opportunity to debate this important issue last week and I was happy at that time to indicate my support for the principle involved. There is no disagreement on the central point, namely that we must provide sufficient deterrents in legislation to dissuade drivers from leaving the scene of a collision in which they have been involved. We must also provide for appropriate punishments for drivers who are apprehended after leaving the scene of a collision in which death or injury occurred. There are far-reaching consequences, particularly for the families of victims of hit-and-run incidents.

Leaving the scene of a collision is, of course, an offence under current legislation but I agree that the law needs to be strengthened. I have accepted the general thrust of much of what is contained in the Bill published by Deputy Dooley. My officials have been in contact with Deputy Dooley, at my request, to discuss the scope for dealing with the matter through a Committee Stage amendment. Last week, the Government agreed in principle to an amendment to address the hit-and-run issue, subject to approval from the Attorney General's office. Legislation in this area can be delicate and it is important that the amendment proposed should achieve our intentions, while not undermining other aspects of the provisions being amended. Work is well advanced on this. I will ask my officials to meet again with Deputy Dooley, certainly in the next few days or next week, now that we have a working draft of the text.

Deputy Ellis questioned the appropriateness of the proposal to take blood from unconscious drivers. Following concerns expressed by the Joint Oireachtas Committee on Transport and Communications regarding the constitutionality of such a measure, my Department sought advice from the Office of the Attorney General and has worked closely with that office in drafting the provisions of the Bill. Extensive discussions have taken place with representatives of the medical profession, the Medical Bureau of Road Safety and An Garda Síochána in order to develop a method of testing incapacitated drivers, which would be both practicable and constitutional. All stakeholders are satisfied that the procedures set out in section 12 of the Bill on this issue do meet this aim.

On the same issue of testing unconscious drivers, Deputy Browne asked who would make the final decision on taking a specimen. The procedure will be as follows. First, the Garda will ask the treating doctor in the hospital whether or not the driver is capable of giving consent to the taking of a specimen. If he or she is, current procedures will apply. If the treating doctor determines that the driver is not capable of giving consent to the taking of a specimen, the Garda forms the opinion that the driver is incapacitated. The next step is that the Garda asks the treating doctor if the taking of a specimen of blood from the person would be prejudicial to the his or her health. If it would be prejudicial, the matter rests. However, if a specimen can safely be taken, the Garda proceeds to ask a designated doctor or nurse, who is not the treating doctor, to take a specimen of blood which will then be forwarded to the Medical Bureau of Road Safety, MBRS, for analysis. The MBRS will carry out its analysis of the specimen and

retain the result on file but will not at that point issue a certification of the result. If, and when, the driver regains capacity, he or she will be asked whether he or she consents to the issuing of a certification of the result. If consent is given, the certification is issued. If not, the driver will be guilty of an offence and the sample and any record of the testing is destroyed. This will maintain the same principles currently in place in respect of conscious drivers, with the consent element being moved forward in the process.

Deputies Ellis and Clare Daly asked about the use of intoxication impairment testing and its possible abuse by members of the Garda. I should explain that the evidence provided from an impairment test alone will not lead to a prosecution. It will assist the garda concerned in forming the opinion that a driver may be under the influence of an intoxicant. In circumstances where a driver fails an impairment test, he or she may be arrested and brought to a Garda station where a breath, blood or urine sample will be taken for analysis by the MBRs. If a case subsequently proceeds to court, the impairment test will be used as part of the evidence presented.

In relation to the report of the Comptroller and Auditor General on the operation of the fixed charge notice and penalty points system, which was also raised by Deputy Daly and others, the penalty points system has since its introduction in 2002 made a significant contribution to driver awareness and is widely accepted by the public, as evidenced by the high percentage of drivers who pay the fixed charge within the stipulated period. Shortcomings in the operation of the system have, however, been highlighted by recent reports, in particular that of the Comptroller and Auditor General. My colleague, the Minister for Justice and Equality, spoke of these matters in detail in the House last month. I am aware that the Committee of Public Accounts is considering holding hearings into historic irregularities with regard to the fixed charge notice and penalty points system and the cost to the Exchequer of same. It is my view that a public airing of this matter could be helpful in bringing it to a close.

A number of Deputies referred to the need to provide driver and road safety education in our schools. I have encouraged the RSA to take every opportunity to enhance road safety awareness for children at all ages. Road user education is delivered by the RSA in a cumulative approach from preschool to third level. Road safety education ensures that all road users develop appropriate attitudes and safe behaviours. The RSA has developed and distributed a number of educational resources to schools from preschool to third level and places considerable importance on educating children in good road safety practices and behaviours from an early age.

Deputy Clare Daly raised concerns with regard to the reference in the Comptroller and Auditor General's 2012 report in relation to the difficulties in allocating penalty points to a driver where the vehicle being driven is a company car which may be used by numerous drivers. The report notes that almost all cases that proceed to company summons status relate to safety camera detections. Where the vehicle is not intercepted and driver details are taken at the scene, notices are issued to the vehicle owner as recorded on the national vehicle and driver file, NVDF, of my Department. The report suggests that inconsistencies in the recording of company names on the NVDF complicate identification of repeat offender companies and result in understatement of the count. My officials are unclear what these inconsistencies relate to, particularly as systems are in place since 2006 whereby all company names submitted with change of vehicle ownership notices are verified against the descriptions in the Companies Registration Office database. This was introduced to assist with accurate and consistent company ownership descriptions on the NVDF. My officials are in the process of clarifying this matter with An Garda Síochána.

Deputy Mattie McGrath referred to dangerous hedgerows and the potential danger posed in this regard for road safety. I recently wrote to county and city managers and drew their attention to the Roads Act 1993 which provides the powers for local authorities to deal with dangerous roadside trees, shrubs and vegetation. There is a statutory obligation on landowners and occupiers to ensure that roadside trees do not present a danger to road users. Local authorities also have the power to remove or reduce the danger posed by such roadside trees and vegetation where there is an immediate and serious risk to road users.

Deputy McGrath also raised the issue of people who may have difficulty passing the driver theory test. I would like to advise the Deputy that the RSA can, in certain cases, provide assistance for people who may experience difficulties in undertaking the driver theory test. I understand that arrangements and facilities are already in place for applicants requiring special assistance in completing the test. Such applicants should contact the RSA in advance of sitting the test and indicate the nature of their difficulty.

Deputy Broughan criticised the piecemeal approach to road traffic legislation and emphasised the need for consolidation of legislation in this area. I agree that a Consolidation Bill would be desirable but given the extent of legislation in the road traffic area consolidation will take a considerable amount of time to draft and pass through the Oireachtas. The reason we have not consolidated in the past few years is that there were provisions, such as lower drink driving levels, mandatory testing of drivers and impairment testing, that we wanted to enact quickly to enhance road safety. It is still my intention to introduce a consolidation Bill for road traffic when the more urgent issues have been addressed. However, I cannot give a timeframe in this regard at this stage.

Some Deputies commented on the financial outlay for learner drivers in completing lessons with an approved driving instructor. I would like to clarify that this Bill does not propose an increase in the number of formal lessons a learner driver must undertake. Under regulations in force since 2011, a learner permit holder must take 12 lessons with an approved driving instructor before taking a driving test. Nothing in this Bill changes that. However, under section 6, a learner will also be required to undergo a minimum amount of driving experience, to be prescribed in regulations, with a qualified driver, before taking a driving test. A record of this experience will be required to be kept in a logbook and endorsed by a sponsor, who may be a parent or any other fully qualified driver.

Deputies Daly and Ellis asked about financial assistance from the Department of Social Protection towards driving lessons for those who are unemployed. I understand that under the back-to-work allowance for the self-employed, there is an initiative designed to help back-to-work participants with costs, including driving lessons. It is my understanding that costs, up to a maximum of €350, in respect of car and HGV lessons are included under this scheme and that lessons should normally be related to preparing for a driving test.

Deputy Harrington raised concerns about advertisements on motorways. While it is illegal to place advertisements on motorways, the main difficulty has been with hoardings or trailers in fields adjacent to motorways. I understand that the local authorities are dealing with this issue.

Deputies Eoghan Murphy and McLoughlin raised concerns about the condition of our road infrastructure. While collisions caused due to road conditions are relatively low, they are rising. The funding for regional and local roads in 2013 was originally set at €350 million. This was increased mid-year to €400 million under this year's investment stimulus. The figure for 2014

had been set at €282 million but an additional €50 million was provided in the budget for roads, bringing the total for 2014 to €332 million. This still represents a cut of €68 million on 2013 in the local and regional roads budget. While this does not necessarily represent a €68 million cut to maintenance it is a €68 million cut to regional and local road development projects, which means we can no longer proceed with any new regional or strategic improvement schemes, at least until we have sufficient money to maintain them. As I have previously stated, the €50 million roads stimulus package will allow some maintenance works to be carried out next year but cost containment and efficiencies in maintenance will still be necessary. Unfortunately there will be no scope for new projects or improvements. This is a very challenging reduction but we will strive to make the most of the very limited resources.

Deputy Naughten expressed disappointment that no provision is being made to include a facility for an In Case of Emergency, ICE, number on driver licences. Under the EU directive which required member states to introduce a plastic card licence system, the information to be contained on the face of the new form of licence is uniform across member states and there is little leeway to add further information as the available space on the card is very limited. In Ireland, we decided to use this available space to continue to allow a licence holder to indicate their wish to be considered as an organ donor, a feature which was available on the old paper licence. The Road Safety Authority, as the driver licensing authority, is currently examining the possibility of including a microchip on the new licence. The information that might be included on the microchip, should it proceed in this way, is being considered by the authority.

Deputy Naughten highlighted the case of an individual who for medical reasons required tinted windows on his car, which subsequently failed the NCT on account of having tinted windows. I understand that the vehicle in question has now undertaken the NCT without the window tint on the front windows and that a certificate has been issued. Procedures with regard to NCT are covered by EU regulations and we cannot unilaterally change them. The RSA is conscious of the needs of individuals with certain medical conditions. Installing excessive tinting to front side windows and windscreen can represent a significant safety hazard for vehicle drivers and their occupants, especially when driving in adverse weather, poor light and during hours of darkness. It is for this reason that a maximum permitted tint level is set by EU-type approval and national legislation.

Deputy Olivia Mitchell raised concerns about penalty points being incurred but not assigned to individual drivers. She referred to a suggestion that up to 40% of penalty points were not assigned to drivers, the implication being that a large number of vehicles on our roads are not taxed. I am pleased to reassure her on both points. There are instances where penalty points could not be entered on the national vehicle and driver file. The most recent returns show that just over 250,000 penalty point events relate to foreign licenceholders whose details could not be added to the NVDF. This equates to 12.5% of penalty point offences, not 40%. Regarding the motor tax issue, it is not correct that motor tax records are the basis for identifying the driver. In fact, the NVDF matches penalty points to driving licence records, with details of registered ownership of motor vehicles being used particularly in respect of offences detected through safety cameras. The NVDF holds both driver licence and vehicle ownership records. Motor tax records are not part of the process and, therefore, there is no reason to assume that where points cannot be matched to a vehicle, the vehicle must be untaxed.

Deputy Frank Feighan expressed concern regarding novice drivers losing their licence after receiving six penalty points. The current position is that drivers lose their licence after accumulating 12 points, with speeding carrying a penalty of two points on each occasion. In other

words, six speeding offences would lead to a driver losing his or her licence. A much stricter regime is proposed in this legislation whereby three penalty points will apply for each speeding offence and novice drivers will lose their licence after six points. This means that a novice driver would lose his or her licence after two speeding offences. Deputy Feighan considers that to be somewhat harsh. My view, however, is that it will send a clear message to new drivers that they must be particularly cautious in their first two years on the road. Having said that, I am open to different opinions on the issue and will be interested to hear Deputies' views on Committee Stage.

Deputy Feighan also raised the issue of car clocking. I will examine whether that issue might be included in the NCT, by which I mean keeping a record of the vehicle's number of kilometres to see whether, for example, it has reduced since the last test. As it stands, car clocking is an offence under the Consumer Protection Act, but the relevant provision applies only to dealerships which offer motor vehicles for sale and not to an individual who does the same. A proposal for an EU regulation on roadworthiness testing for vehicles is being discussed at present, the draft text of which provides that each member state must take the necessary measures to ensure that manipulating an odometer will be punishable by effective and proportionate penalties. I am open to an amendment on this issue on Committee Stage, notwithstanding the difficulty that may arise in accepting it in a context where an EU regulation is forthcoming. Any such amendment would require subsequent amendment in the light of the European provision, but it would not be the first time such amendment was required.

Deputy Seán Kyne referred to the possibility of offering driver education or re-education as an alternative to fines and penalty points. That issue is not addressed in this Bill but is included in the five year road safety strategy. Our intention would be to allow the courts to impose such a sanction as an alternative to points or fines. It will require future legislation.

Deputy Paul Connaughton raised the issue of drug driving. A procurement process is due to commence in the coming months for the provision of roadside devices to detect drugs. In addition, the next road traffic Bill will strengthen the legal provisions relating to driving in an impaired state as a consequence of taking drugs. I hope to introduce those proposals next year.

The Road Traffic (No. 2) Bill 2013 will build on the progress made to date in the areas of driver licensing, penalty points and intoxication testing. All these measures will help to promote better driving on our roads. I look forward to the passage of the Bill through the Oireachtas and its speedy implementation. I thank Members for the opportunity to present this legislation and for their contributions to the debate.

Question put and agreed to.

Road Traffic (No. 2) Bill 2013: Referral to Select Committee

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): I move:

That the Bill be referred to the Select Sub-Committee on Transport, Tourism and Sport pursuant to Standing Orders 82A(3)(a) and (6)(a) and 126(1) of the Standing Orders relative to Public Business.

Question put and agreed to.

Topical Issue Debate

Fire Stations Provision

Deputy Seán Kyne: Cuirim fáilte roimh an Aire, Deputy Hogan, sa Teach inniu chun an cheist thábhachtach seo do Chonamara theas a phlé, an ceart atá ag daoine eile i nGaillimh stáisiún dóiteáin a bheith acu sa cheantar. Níl a fhios agam cén fáth gur tharla sé go bhfuil seacht stáisiún dóiteáin i nGaillimh thoir ach nach bhfuil ach ceann amháin i gConamara, sa Chlochán, agus an príomh stáisiún i gcathair na Gaillimhe ag freastal ar Chonamara theas. Níl mise ná aon pholaiteoir ó Chonamara nó Gaillimh thiar sásta leis an tseirbhís seo.

Nílím ag cur aon mhilleán ar an Aire faoi seo, mar ní bhfuair an Roinn aon iarratas ó Chomhairle Contae na Gaillimhe maidir le seo. Bhí an cás os comhair cruinniú de Chomhairle Contae na Gaillimhe Dé Luain agus rinne na comhairleoirí cinneadh iarratas a sheoladh chuig an Roinn Comhshaoil, Pobail agus Rialtais Áitiúil faoi seo. Bhí cruinniú againn sa Cheathrú Rua cúpla seachtain ó shin agus dúirt mé ag an gcruinniú sin go bhféadfadh an chomhairle contae airgead a thabhairt ó lá go lá chun seirbhís a chur ar fáil agus chun pá an fhoireann dóiteáin a íoc. Nílím cinnte an bhfuil an bainisteoir nó an fhoireann bainistíochta sásta é sin a dhéanamh fós.

An cheist atá agam don Aire ná an bhfuair sé iarratas fós ón gcomhairle contae. Freisin, nuair a chuireann an chomhairle contae iarratas isteach, an mbeidh an tAire in ann breathnú air i gcomhthéacs airgead caipitil chun stáisiún nua a thógáil? Chomh maith le sin, an mbeidh sé in ann breathnú ar chead a thabhairt don chomhairle contae chun foireann don stáisiún nua a fhostú, cé go bhfuil moratorium nó stop curtha ar daoine nua a fhostú sa seirbhís poiblí? Tá sé ráite ag príomhfheidhmeannach Údaras na Gaeltachta go bhfuil sé sásta suí síos leis an chomhairle contae agus an Roinn chun suíomh feiliúnach a aimsiú. Tá sean foirgneamh ag an gcomhairle a bheadh feiliúnach freisin.

There are seven fire stations in the eastern part of County Galway, only one of which, Clifden station, is in Connemara. The main station in Galway city serves part of south Connemara. By comparison, there are five stations in County Leitrim and 16 in County Donegal. The southern part of Connemara is one of the most poorly served areas in the country in terms of fire service provision. I do not blame the Minister for this. I understand no application from the local authority has been received by the Department. A meeting of the council took place last Monday, however, at which a decision was made to submit a formal application for a fire service in the area.

I was in Carraroe some weeks ago for a public meeting which more than 200 people attended. It was organised by Coiste Cearta Chonamara, which has been campaigning for 20 years for the provision of a fire service. I stated at the meeting that the day-to-day running costs of any new fire station would have to be borne by the county council from its budget, with the capital costs being a matter for the Department. The principal officer of Údarás na Gaeltachta, Steve Ó Cúláin, indicated at the meeting that he would be happy to discuss a suitable location with the authority and the Roinn. He told the meeting that Údarás na Gaeltachta has buildings and units that are not in use and might be suitable for a fire station. That is a positive in terms of the cost.

Let us consider the geography of Connemara. According to AA Route Planner the journey

from Carraroe to Galway City via Furbo is one hour and 13 minutes and the journey from Lettermullen to Galway via Furbo is one hour and 36 minutes. That is too far a distance for the provision of a safe fire service for the people of south Connemara.

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): I thank Deputy Kyne for raising this matter with me, as he has done several times. The provision of a fire service in its functional area, including the establishment and maintenance of a fire brigade, the assessment of fire cover needs, the provision of premises and the making of other such provisions as it considers necessary or desirable, is, in the first instance, a statutory function of individual fire authorities under the provisions of the Fire Services Act 1981 and 2003. Furthermore, under section 26 of the Fire Services Act 1981, each fire authority that maintains a fire brigade is required to prepare plans for fire and emergency operations and revise them as occasion requires. These plans include provision in respect of fire stations. The making and revision of these plans is a reserve function of the local authority, in this case, Galway County Council, and I, therefore, have no function in that part of the decision. My Department supports fire authorities through the setting of general policy and guidance and the provision of capital funding, including the recoupment of costs incurred by fire authorities relating to the approved purchase of fire appliances and specialist emergency and communications equipment as well as the construction and upgrading of fire stations.

In 2010, the Galway city and western environs fire review group was established to consider fire cover in Galway city and the western environs, which includes south Connemara as well as the west Connemara area. The group comprised representatives of Galway City Council, Galway County Council, the Chief Fire Officer for Galway City and County, representatives from the national directorate for fire and emergency management and an external advisor from Strathclyde Fire and Rescue in Scotland. As part of the review, the group specifically examined the adequacy of fire cover in the south Connemara and Oughterard area.

The group used a risk-based approach which had regard to the risk categorisation process as set out in the Keeping Communities Safe document. The document was adopted as national policy in February 2013 and is based on a risk management approach which addresses the critical elements of fire prevention, protection and response. It sets out an integrated approach to fire safety and fire services in Ireland generally in keeping with international best practice. All fire authorities are currently undertaking risk categorisation for their areas.

The group finalised its review in June 2013. It considered three years of fire incident data, including the number of emergency calls, the emergency type and the locations. It also considered potential changes in demographics and the various potential fire station permutations throughout the western environs area. The group found that there is not a conclusive case for an additional fire station in south Connemara or Oughterard. The group recommended a series of community fire safety measures to further enhance the safety from fire of residents of the area. These include fire safety awareness on all fire safety issues, such as home fire safety, controlled burning, wildland and gorse fires, community safety advocates and a smoke alarm campaign. I understand that a report on the matter has been made to Galway County Council outlining the findings of the group and several required future steps.

The matter of adequacy of fire service provision for the south Connemara area is a statutory function of the fire authority and plans for fire and emergency operations in the area are a reserve function of Galway County Council. I am somewhat surprised that Galway Council has not prioritised this matter over the years in its fire services planning. Many public representa-

tives in the Connemara area could have made money available for this facility over the years but chose not to do so.

Perhaps Galway County Council could engage with my Department and be mindful of this facility in the context of the 2014 Estimates. Ultimately, any request to my Department from the council for financial assistance for fire services provision will have to be assessed in the context of the overall budgetary situation of the council. We do not have much money for fire services for any part of the country at the moment and in particular we do not have much by way of capital moneys. Any assistance provided would have to be part-funding. We will have to see the commitment of the county council in the first instance to demonstrate project development and the commitment from local funding provisions in the 2014 Estimates.

Deputy Seán Kyne: I thank the Minister for his reply. I acknowledge my colleague, Deputy Nolan, who has expressed a good deal of interest in this area as well. I appreciate the Minister's response and I understand the position. I stated at the meeting in Carraroe that I was unsure of the commitment of the manager and the management team to this area and whether they would be able to come up with the running costs and day-to-day costs of any new station as well as the wages of any retained fire service personnel. I understand where the Minister is coming from in terms of the county council having to show commitment in its budget.

The Minister is right with regard to the report issued. The option of building a new station was examined. Several advantages were stated, including that the unit would be located in the western environs area and would give a quicker response and that public expectation would probably be met. Disadvantages included that it would be difficult to withdraw once a decision was made and that it would take a considerable amount of time to become functional. However, people have waited this long and need to see the station built as a matter of urgency. Another issue related to the considerable cost implications, both initially and on an ongoing basis.

I stated earlier that Údarás na Gaeltachta is willing to engage with the county council and the Department with respect to investigating the possibility of using some of the old buildings that it has in the area, a welcome initiative and something that should be considered. When an application comes I urge the Minister to engage positively with the county council and Údarás na Gaeltachta and local community groups to provide the service.

The Minister is right. I am unsure why the service has not been provided heretofore. There is an obvious gap in the provision of fire service within the county and it is difficult to justify. I referred to the journey times of up to an hour and a half or one hour and 36 minutes from Lettermullen to Galway city on a poor road with a high historical level of accidents.

I thank the Minister for his response and I urge him to engage with the county council positively and proactively to determine whether we can find a solution to ensure that the provision of a fire service is achieved in as fast a time as possible.

Deputy Phil Hogan: Deputy Kyne understands well that I have inherited many legacy issues relating to rural areas, one of which happens to be south Connemara fire station. It is remarkable that I have to resolve many of the issues at a time when we have a difficult financial position, when others, who had plenty of money, could not do so. In the first instance, Galway County Council should engage with the Department on the basis that it has new information to offer or new resources to put to the case of providing the service. However, the case has to be justified as well.

Deputy Kyne referred to the fact that Údarás na Gaeltachta is keen to get involved and assist Galway County Council in providing a fire safety and fire service facility for south Connemara. That is new information. I advise Deputy Kyne to get a comprehensive plan in place among all the State agencies and bodies that have an interest in providing a fire service in south Connemara. They should put it on paper, get agreement from the local authority which, in the first instance, must make an application to the Department. Of course, given the reserve function of local authority members they must approve it first. Then, I will consider the application in the context of the 2014-15 financial programme.

Special Educational Needs Service Provision

Deputy Derek Nolan: The Minister of State is aware of the work at Rosedale School and he has visited it. It is a wonderful school that provides amazing services for young people throughout Galway city and county. Public representatives who have visited there will be familiar with it. I visited several months ago with Deputy Kyne. We toured the school and saw the amazing work people are doing under difficult circumstances.

The number of pupils in Rosedale School this year has increased to 26 from 20. This has put additional pressure on resources and facilities. As many of the children get older, their demands increase. There is an increased demand for what are called changing benches. These are used for children who spend the majority of their time in wheelchairs. They give the children a break from the confines of the wheelchair and allow them to stretch their arms and legs and be comfortable. They are also used to change children. The children in question cannot walk, talk, feed themselves or go to the toilet. The wonderful staff in this school must do that work. They need extra beds to be able to perform the simple function of taking children out of their wheelchairs and changing them. Some of these children can require changing four or five times a day, which can take up to 15 minutes each time and requires two people. This issue pertains to people with severe to profound difficulties, both physical and intellectual, and the help they require.

In September 2013, Rosedale special school applied for funding for five additional beds to accommodate the school's additional needs on foot of the difficulties some of its students were facing and because of its new intake of five additional pupils. However, the school still has not received an answer from the Department. Initially, its application was refused and the school appealed. It has gone back to the Department but the staff members are at the end of their tether. It is appalling that this has happened to people who have been doing such incredible work in such difficult circumstances. A constituent of the Minister of State spent an hour and a half travelling on a bus from Gort to Rosedale special school. He was in pain because the bus journey is very difficult and confining and can cause distress. When he reached school, he could not be taken from his chair for quite some time because no spare bed on to which to bring him was available. Despite this, the back-and-forth nonsense continues, to the effect that this is not something that will be provided or that the Department should provide. The school authorities actually have been asked to change the name of the bed they require. While it is exactly the same bed, they have been asked to change the name in order that it sounds more educational. This is unacceptable and must be fixed. Last Friday, the school had in place a queueing system. People were obliged to queue in order that the children could be changed and this must stop.

The Minister of State should return to the Department and tell whoever is dealing with this

fracas, this absolute nonsense of a process, this bureaucratic nightmare through which these children must suffer, to get this issue fixed. The Minister of State should tell those responsible that the school requires €10,000, in the overall scheme of things. It also is scandalous that €30,000 already has been spent by the Department to put in place the hoist that is necessary to lift the children out of the wheelchair to put them on the bed. Although the hoist is in place, there are no beds and although the hoist has been paid for, the Department will not pay for the beds. This must stop and while the Minister of State's intentions and motivations in this regard will be just as positive as are mine, he should return to the Department and get whoever is causing this nightmare and nonsense to fix it and solve this problem for these kids.

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon):

I thank the Deputy for raising this matter because it gives me the opportunity to outline to the House the Department's policy on providing furniture and equipment for special needs pupils in general and the present position with regard to a request for five therapy beds for pupils in Rosedale school, Galway. My Department provides funding for furniture and equipment that is required for educational purposes. However, the provision of therapeutic equipment has been and remains outside the remit of the Department. When requests for loose furniture and equipment are received, the school authority is requested to provide justification for the provision of such equipment. This justification often is provided by means of a child-specific report, on the basis of an assessment by the occupational therapist or a special education teacher. It is not always possible to distinguish between educational and therapeutic uses for equipment, as often one piece of equipment can fulfil both needs.

As for Rosedale school, my Department already has provided funding in excess of €104,000 for specialist furniture and equipment, €72,682 of which was approved this year. In July 2013, the school authorities submitted four applications for therapy beds and one application for a changing-therapy bed for five pupils, three of whom were starting in the school in September 2013 and two of whom already attended the school. All five applications were supported by the senior physiotherapist attached to the school and the letters of support outlined that all five pupils concerned required daily one-to-one physiotherapy. The senior physiotherapist also stated that to assist staff to carry out this programme, therapy beds were required. The letters of support also stated that plinths also could be used for day-to-day personal care.

The school authority was informed in September 2013 that its application for funding was refused as the type of equipment being sought was outside the scope of educational equipment funded by the Department. The school authorities submitted an appeal in respect of this decision and while it accepted that the plinths provided a place for essential therapy, they also would be used to provide a toileting facility. My Department advised the school authority again that the provision of therapy beds was outside the remit of the Department but that it was open to the school to submit applications for additional changing beds, which also would be suitable for toileting facilities. On 11 November, the school authority submitted an application for five changing benches. As the quotation submitted in support of this application was for the same therapy beds for which the original submission was made in July, the school authority again was advised to submit a quotation for changing benches. These applications and the three quotations were received last Monday and are being considered actively by the Department at present. I assure the Deputy that the school authority will be informed of the outcome in the very near future.

Deputy Derek Nolan: I thank the Minister of State. I do not normally use the Topical Issue debate for this kind of subject, as I like to use it for raising more policy-orientated issues.

However, the reason I raised this matter was I thought it might put a bomb under someone in the Department who finally would wake up. While the Minister of State's response notes that in July 2013, the school authority submitted an application for therapy beds, I have just outlined the conditions in which the children currently find themselves in their educational facility. They are queueing to get changed and having soiled themselves, they must sit and wait to be changed for the sake of €10,000. The school applied last July for permission for therapy beds but was obliged to submit a further application in November. It is now the end of November and yet this situation persists. This is not the first time that such equipment has been provided and the Department of Education and Skills has funded these beds previously. Moreover, it has provided a hoist to lift children out of their wheelchairs and into a bed and I was hopeful that today's debate might induce someone to decide this involves €10,000, which no one can question is needed, and simply to provide it. To be frank, I am somewhat disappointed by the answer from the Department of Education and Skills. I will make this point to the Minister of State and to the Minister, Deputy Quinn, when I see him. I will make this point to anyone from the Department of Education Skills on whom I can get my hands, because I simply will not accept that this issue should continue and roll on for as long as it has. It is completely unacceptable and is completely wrong. It is morally wrong, as the people to whom I refer cannot talk, walk or feed themselves and they need to be changed. At present, they are sitting in their wheelchairs, having soiled themselves, and are waiting for an opportunity to change themselves. However, I am stuck with a letter telling me that an application was made in July 2013 that still has not been sorted out by the end of November but that if the school holds on, it still will be considered at some time in the future. This is not acceptable and in his response, I ask the Minister of State to take personal ownership of this matter as someone with a vested interest in it, because his constituents attend the school, and to ensure the matter is solved sooner and is not allowed to drag on again in perpetuity without resolution.

Deputy Ciarán Cannon: As the Deputy is aware, there is a significant difference between a changing bench, which is provided primarily for the toileting purposes of children with severe and profound special needs, and therapy beds, which are far more holistic pieces of equipment that address issues other than the simple toileting facilities. The application received in July was for therapy benches, which I understand are normally funded by the Department of Health. Had that application been for changing benches last July, that application would have been assessed as such. As those benches had been funded by my Department in the past, one could reasonably expect they already would have been funded and already would be in place. There has been confusion and perhaps a breakdown in communication between the school concerned and my Department. I do not lay blame at anyone's door but changing benches have been funded in the past and I assure the Deputy that changing benches will be funded in the very near future. This will not drag on for anything longer than perhaps two or three more days. The application in question is with the Department now and is being assessed. I fully and wholeheartedly agree with the Deputy that neither children nor adults with special needs should be subjected to those difficulties. The issue will be resolved and perhaps could have been resolved a lot sooner had those differences of opinion not arisen as to how precisely one would describe these pieces of equipment.

Irish Language Issues

Deputy Terence Flanagan: I thank the Ceann Comhairle for the opportunity to raise this important issue. I wish to use my time to highlight the importance of lifting the derogation for

the Irish language in order that it can be used as the official and working language of the European Union. As the Leas-Cheann Comhairle is aware, Irish became an official and working language of the European Union on 1 January 2007 but since then, only a limited amount of legislation has been translated into the Irish language. This is as a result of a lack of qualified legal translators with the skills to do so. As a result, there is a derogation in place which states that the EU institutions are not bound by the obligation to translate all legal texts. The derogation period to date has provided the Government with sufficient time to ensure that competent and skilled staff are trained and available to undertake the translation work needed in the EU.

4 o'clock

Should this derogation be lifted it is estimated that approximately 180 jobs would be created in translating texts as Gaeilge for use in the European Union. There will be excellent career opportunities available for Irish speakers in EU institutions in Brussels and Luxembourg as a consequence.

The derogation was originally in place for five years from 1 January 2007 to 31 December 2011 but this was then extended for another five-year period from 1 January 2012 to 31 December 2016. I ask the Minister of State to outline the progress that was made in training legal translators during the first derogation period which ended in December 2011. It is my hope that this derogation will be lifted to ensure that Irish is used as an official and working language. If this is not to be, I ask the Minister of State to ensure that the derogation is not extended for another five-year period from 2016 onwards. The Minister of State recently confirmed to me that he hopes that the Government will consider the ending of the derogation in early 2014. I hope that the matter is fully considered by the Cabinet and that the benefits of lifting the derogation are fully examined.

The Government is already planning for the end of the derogation at some point. The 20-year strategy for the Irish language 2010-30, states: "The Government will work to create the circumstances in which a sufficient number of qualified graduates are in place to meet EU requirement needs so that this derogation can be ended during the lifetime of this Strategy". I would be grateful if the Minister of State could confirm what action has been taken thus far to ensure that graduates are skilled in this area and to confirm how many graduates are currently qualified and trained to meet EU requirements should the derogation be lifted soon. Does the Minister of State expect that there will be sufficient numbers of translators trained and available to lift the derogation in the near future?

I am aware that the Department is currently providing funding under the advanced Irish language skills initiative to offer specialised third-level Irish language in translation, etc. I ask the Minister of State to say where these courses are available and I ask the him to confirm what is the take-up for these courses has been to date.

Minister of State at the Department of Arts, Heritage and the Gaeltacht (Deputy Dinny McGinley): Gabhaim buíochas leis an Teachta as an cheist seo a ardú. I will begin by explaining the background to the derogation. Irish was recognised as an official and working language of the European Union on 1 January 2007. The original derogation with regard to the use of Irish in EU institutions applied for five years from 1 January 2007 to 31 December 2011. This was extended for another five years from 1 January 2012 to 31 December 2016. As a result of the derogation, the EU institutions are not obliged to translate all legal texts into Irish. Under its terms, only those EU laws made under the co-decision procedure must be translated into

Irish. However, the coming into effect of the Lisbon treaty on 1 December 2009, had the effect of making the co-decision procedure the norm, rather than the exception, for EU law-making. This has resulted in a significant increase in the proportion of EU laws that must be translated into Irish.

The Council Regulation 1257/2010, on the derogation, requires a decision to be made by December 2015 at the latest as to whether to extend the derogation for another five years. The EU institutions would welcome a definitive decision by the Government before the end of 2014, in order to facilitate orderly planning of any recruitment requirements that might arise. It is worth noting in this context, that the derogation itself makes reference to the difficulties experienced to date by the EU institutions in recruiting sufficient numbers of qualified personnel for positions as Irish language translators, legal and linguistic experts, interpreters and assistants.

As well as ensuring the availability of people with the requisite skills to take up positions in the EU institutions, the generation of terminology for use in the translation of official documents is also a key factor to be considered. With this in mind, two significant initiatives have been funded by my Department for the past number of years, the inter active terminology for Europe initiative, IATE, and the advanced Irish language skills initiative.

Funding is provided to Fiontar in Dublin City University to translate Irish language terms for the EU terminology database called IATE. The amount provided by my Department to Fiontar from 2007 to 2012 was in excess of €1.85 million. In addition, funding has been approved for the continuation of this initiative in 2013 and 2014. As a result of this investment, in excess of 50,000 Irish language terms have been provided for the terminology database, which consists of 9 million terms in the 23 official languages of the EU. Of the 23 official languages, Irish is now the 14th biggest language in this EU terminology database.

The advanced Irish language skills initiative was established in 2006 as a response to an identified need to increase the numbers of graduates with skills in specific areas in the context of the Official Languages Act 2003 and with Irish becoming an official language of the EU. The provision of qualified persons with Irish language skills to meet these recruitment needs is being achieved through this initiative. The Department provides funding for a range of specialised third-level Irish language courses in Ireland in areas such as translation, interpretation, IT and law. The fund is administered by my Department in conjunction with the Higher Education Authority. In excess of €11 million has been spent on this initiative to date.

As regards employment in the EU institutions in general, the Government recognises the strategic importance to Ireland's interest of employment for Irish citizens in EU posts, including posts directly related to the Irish-language. Earlier this year, the Government approved new arrangements to facilitate Departments to send officials to work in the EU as seconded national experts. These new arrangements are an indication of how important it is for Irish officials to get an opportunity to work in policy areas within the EU institutions. As those working in language related posts, in particular those working in lawyer-linguist posts, frequently transfer to EU policy areas, the importance of filling these posts cannot be overestimated in terms of the Government's overall strategy of increasing the Irish presence in the EU institutions.

The 20-year strategy for the Irish language 2010-30, contains the following commitment: "The Government will work to create the circumstances in which a sufficient number of qualified graduates are in place to meet EU requirement needs so that this derogation can be ended during the lifetime of this Strategy". For some time my Department and relevant stakeholders,

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including the EU institutions, have been actively engaged in discussions regarding the issue of the derogation in order to formulate specific proposals on the optimal approach for the future. It is my intention to present these proposals to Government at the earliest opportunity in 2014.

Deputy Terence Flanagan: I welcome the Minister of State's response. I appreciate his good work in the area of the revival of the Irish language and in ensuring that the derogation will be lifted. A failure to lift the derogation would send out a bad signal and would result in a recruitment deficit when translators are needed. We need to put supports in place for the Irish language. I ask the Minister of State if he has received feedback on the views of the EU institutions in general about an extension of the derogation. I understand they do not have a position.

The sooner we can make a decision on this, the better from Ireland's perspective. That this Government is focused on job creation and getting Ireland working again is a good news story in this area. The ending of this derogation will provide an opportunity to create 180 jobs and it will send out a very positive signal in terms of the revival of the language.

Will the Minister indicate who will make the ultimate decision? Will it be the Taoiseach or the Minister's Department? Who will eventually decide on it? Over €8 million has been spent to date in the provision of courses to meet the needs of European Union institutions for assistants, translators, interpreters, lawyers and linguists. Up to the end of 2012, some 243 people have graduated from those courses. It is important to ensure we keep that skill set in Ireland and that these jobs are created. The Minister might indicate when he expects a decision to be made regarding the lifting of this derogation.

Deputy Dinny McGinley: The Council Regulation (EU) No. 1257/2010 on the derogation requires a decision to be made on this issue by December 2015. In our opinion, that would be leaving it too late. The Government would like to be in a position to convey whatever decision we make before the end of 2014. However, discussions are ongoing between officials from my Department and EU institutions regarding this matter. I hope to be in a position to bring proposals to the Government early next year to ensure we meet the deadline well before the end of 2014.

I am sure the Deputy will agree that substantial resources have been made available in preparing for the ending of the derogation whenever that occurs. A total of €11 million has been spent already both on the terminology and training people in the necessary skills. We are also conscious of the importance of having Irish people working at the heart of Europe-----

Deputy Terence Flanagan: Yes.

Deputy Dinny McGinley: -----in every area, and that includes Irish language related areas.

I thank the Deputy for raising the matter and keeping it alive. I assure him it is very much alive with us.

The Dáil adjourned at 4.15 p.m. until 2 p.m. on Tuesday, 3 December 2013.