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1. Deputy Seán Ó Fearghaíl asked the Minister for Defence the action he will take to address the ongoing concerns over the death of a person (details supplied) and the subsequent investigation into the matter; and if he will make a statement on the matter. [5866/14]

Deputy Seán Ó Fearghaíl: This question brings us back to the very unfortunate events of October 2009 when two members of the Air Corps lost their lives and to the saga that has continued since regarding the death of Cadet David Jevens. I acknowledge that the Minister is due to meet the Jevens family again, with senior members of the Air Corps, with a view to trying to resolve the matter. However, there are some outstanding issues which it would be useful to ventilate.

Minister for Defence (Deputy Alan Shatter): Yet again I extend my sympathy to the families of the deceased.

There have been three separate official investigations into this tragic accident, the first of which was conducted by the air accident investigation unit of the Department of Transport, Tourism and Sport. Its final report setting out its findings was published on 24 January 2012. It found that the probable cause of the accident was the spatial disorientation of the instructor-pilot in conditions of poor visibility resulting in controlled flight into terrain.

In May 2012 a coroner’s inquest was held into the deaths of the two crew members. The jury recorded an open verdict in the case of the instructor-pilot and a verdict of accidental death.
in the case of the cadet.

The third investigation was a military court of inquiry which had been convened by order of the Chief of Staff on 26 July 2012 and it produced its report on 17 January 2013. The court of inquiry’s findings are consistent with the earlier investigations, namely, that the probable cause of the accident was the spatial disorientation of the instructor who was piloting the aircraft in conditions of poor visibility at the time.

I received a series of correspondence from the family in which allegations were made in respect of a wide range of issues to do with the investigation of the tragic accident. I sought the advice of the Attorney General in this regard. I have fully considered the matter in the context of this legal advice and I am satisfied that a further investigation is not warranted into any issue relating to this tragic accident. I informed the family late last year of my decision in that regard. Officials from my Department also met the family in early January to convey my decision and afford them the opportunity to discuss their concerns further. Following that meeting, I have arranged to meet the family again next week to discuss their concerns. I understand they feel the content of the court of inquiry’s report introduces issues and opinions which, in their view, raise questions concerning their son’s role in this tragic event. For the record, I reassure them again that this line of argument is not supported in any report and has never been given any official credence. All of the reports agree that Cadet Jevens bore no responsibility of any kind for the tragic accident.

**Deputy Seán Ó Fearghaíl:** I thank the Minister for again saying, as he has said explicitly in the past, that not one scintilla of blame for this accident can be attached to Cadet Jevens. The difficulty for the family who have dedicated themselves since his death to this issue is two-fold. First, they strongly contend the evidence adduced since his death indicates in their mind that there was not at play within the Air Corps the priority to safety and safety measures that there should have been and because of a culture which did not prioritise safety their son died. Second, they contend there has been a series of breaches of military procedures and protocols in how the matter has been dealt with by the defence authorities and that, in effect, the system has pulled down the shutters, the wagons have been circled and the system has defended itself against the family in seeking to have their concerns and complaints vindicated.

**Deputy Alan Shatter:** As I believe the Deputy knows, there is no question of pulling down the shutters or circling the wagons. I have gone through the series of events and there is no interest of any description in not knowing the truth. The tragic reality and truth is that there was serious pilot error by the instructor and that Cadet Jevens bears no responsibility of any description. No change in systems or any other issue that could have arisen had an impact, based on the reports and inquiries that have been conducted, on the judgment made at the time which resulted in this dreadful tragedy.

I greatly sympathise with the family and I appreciate and how difficult it is to come to terms with such an awful event where one loses a son in circumstances that were not within his control. No one anticipates such a tragedy occurring in their lives and it is enormously difficult to come to terms with such an incident. I met the family previously and I am happy to meet them again. I do not know that a meeting can bring them the peace of mind that I wish them to have in difficult circumstances. Substantial time has been spent - it was time worth spending - by both officials in my Department and members of the Air Corps in seeking to assist and counsel the family and to provide them with as much information as possible.
In some correspondence I have received, there have been suggestions - or, as the Deputy said, people think there are implications - that Cadet Jevens has in some way, shape or form been found to be at fault. I have read all the reports and that is not derived from a single report. There is no such conclusion. I reiterate clearly that there is no question of his being in any way remotely to blame for the dreadful tragedy that occurred.

Deputy Seán Ó Fearghaíl: We have a common purpose in this regard. We want to work with the family to bring them to the point at which they can have closure on this. Nonetheless, they persist in their conviction that there is something wrong and that military codes and procedures have not been followed. I am sure they will present the 33 items that seem to make a prima facie case to support their claim that there was a breach in procedures by the Defence Forces authorities in dealing with their son’s case. However, they also seriously claim that in recent times their attempts to bring this matter to the attention of the Military Police and to have it investigated by them have been blocked, and they are explicit in this. They say the members of the Military Police to whom they have sought to make complaints and whom they have asked to carry out investigations have been blocked and have been told not to undertake those investigations. It would be helpful if the Minister responded to that matter.

Deputy Alan Shatter: I refer again to something that is central and key to this. In so far as issues could arise with regard to systems within the Air Corps, the following of protocols and so on, this accident was the tragic consequence of one thing only. There was no aircraft failure. It was the tragic consequence of an unfortunate judgment made by the instructor. According to the report, Cadet Jevens expressed his reservations about the aircraft continuing along the route the instructor proposed based on the recordings from the aircraft. That is my recollection, although it is some time since I read the report. The instructor made a decision and we had this dreadful tragedy, which has been explored on three different occasions.

I will meet the family. I do not want to go into detail on other matters. We will have whatever discussion we can that is of assistance to them but there are issues in respect of which the family require help and assistance. That is available to them through the Air Corps or otherwise and I very much hope they will avail of it because I understand the difficulties in coming to terms with the dreadful event that occurred.

Defence Forces Investigations

2. Deputy Pádraig Mac Lochlainn asked the Minister for Defence if he will provide an update on the case of two members of the Defence Forces (details supplied); and if he will make a statement on the matter. [5768/14]

Deputy Pádraig Mac Lochlainn: On 27 April 1981, two privates in our Defence Forces were manning an observation post in the village of Dyar Ntar, south Lebanon. One of them, Private Hugh Doherty, from Letterkenny in my constituency, lost his life, while the other, Private Kevin Joyce from the Aran Islands, was kidnapped and his body has never been found. I am seeking a reinvestigation of the matter by the Minister and ask that every person who may have knowledge from that period about what happened on that day be interviewed.

Deputy Alan Shatter: The case to which the Deputy refers dates back to 1981 and relates to an attack on two members of the Irish battalion serving with the United Nations Interim Force in Lebanon, UNIFIL, at that time. On 27 April 1981, an observation post in south Leba-
The incident and the disappearance of Private Joyce have been the subject of ongoing investigation by successive Irish units in UNIFIL, including a Military Police investigation in 1985, an intensive investigation by the 88th battalion in 2000-01 and a senior officer delegation in 2005, assisted by diplomatic efforts at the highest level, to endeavour to locate his whereabouts. To date, no information has been elicited to lead to the recovery of Private Joyce. However, I am advised by the military authorities that the situation in UNIFIL is that the case remains open. Efforts are made from time to time in Lebanon to establish the location of the private’s remains and, if located, efforts will be made to repatriate them. The Department will continue to make every effort to bring this tragic case to a conclusion.

Deputy Pádraig Mac Lochlainn: There are two aspects to this tragedy. The most important is the fact that Private Kevin Joyce’s body has not been recovered and returned to his family on the Aran Islands. The other aspect is the apparently poor investigation into the circumstances that led to this incident. I have read a book by Frank Sumner, who served proudly in our Defence Forces for more than 20 years and who was in the Lebanon at the time. He has a number of questions. Why were statements not taken from all members of the Defence Forces serving there at the time? There are issues around the observation post being isolated and not appearing to have the necessary support to prevent the tragic events of that day. Casings from the bullets used to kill Private Hugh Doherty were recovered at the scene but they seemed to have been misplaced afterwards. There is also the issue of the force’s mobile reserve being withdrawn from the area after three days. Mr. Sumner has a range of questions in this book, From One End Of The Rainbow. Will officials from the Department of Defence or the Minister meet him to go through the concerns he has and the allegations he has made? I have not seen them challenged to date and while it is open to the Department to challenge them, there is clearly a need to re-investigate this issue and to get all the answers for the two families.

Deputy Alan Shatter: With regard to tragic events such as this, the Deputy well knows in the context of this island the difficulty in locating remains where the likelihood is that individuals are still on the island who were the perpetrators of the murder of innocent individuals. It is a great deal more difficult in the context of an unidentified attack on two members of an Irish UN battalion where one individual effectively disappeared - and there is, tragically, no indication that he is still alive - to go about identifying the location of the remains. That is a great deal more difficult because on this island there are individuals who know who shot whom and where the remains are. We do not know who is responsible in this case. I would dearly love to achieve clarity and closure for the families. I have received correspondence from individuals who allege there was a cover-up by the Defence Forces in this tragic incident and there has been a request for a new inquiry, but two inquiries were conducted into the incident, the first by the United Nations and the second by the then director of operations for the Defence Forces, Colonel Savino. What is clear from the Savino report is that there was a comprehensive and critical review of the incident. Inadequacies in the way procedures were operated and the establishment and staffing of the post where the individuals in question were tragically killed were identified in the report. I am not making the case that everything was perfect. However, recommendations were made to address the deficiencies and these, obviously, are matters of importance in the context of the way we conduct operations today.

Deputy Pádraig Mac Lochlainn: I will make two points. First, this incident happened a
long time ago and it will not be easy to locate the remains. I want to establish if the Government or the Defence Forces serving in Lebanon recently made contact with either the Palestinian or the Lebanese authorities? I know that in 2001 the then Minister, Mr. Michael Smith, and others had been in contact with the Palestinian authorities and that there might have been a possibility that somebody would be able to assist in finding the location of the remains. Will the Minister or an official from his Department meet Mr. Frank Sumner about the issues he has raised in his book? It would be in the public interest to meet him, to hear what he has to say and to either investigate or dismiss them, as is the Minister’s right. These issues need to be addressed and answers given.

**Deputy Alan Shatter:** First, if I can be of assistance in meeting them, I am always willing to meet the families. I have received correspondence and I am reviewing and considering its content, but I must be realistic in the context of the issues the Deputy has raised. As I mentioned, successive Irish UNIFIL battalions and successive Ministers have inquired into this incident. I can recall on one of my visits to Lebanon that I raised this issue in a conversation with the head of the UNIFIL force but no light has been shone to identify the individuals responsible for the attack and there is no indication of where the remains may or could be located across southern Lebanon or elsewhere. There are no individuals whom we can identify, so many years on, who could provide further or greater enlightenment. I wish it were the case that there were, but I do not want to hold out unrealistic expectations for the families. I understand their need for closure, but, unfortunately, from my own inquiries into the matter - this was an issue to which I gave some consideration quite some time ago - it seems there is only a very remote possibility of further information becoming available.

**Defence Forces Properties**

3. **Deputy Clare Daly** asked the Minister for Defence if he will stop the eviction process which has been initiated against some former members of the Defence Forces who reside in family quarters in the Curragh Camp and instead engage in a dialogue with these families and members of PDFORRA to reach an agreed settlement in relation to these accommodation units. [5849/14]

**Deputy Clare Daly:** The Minister and I have discussed on a number of occasions the issue of former members of the Defence Forces being evicted from their homes in the Curragh Camp. I know he has called them overholders and used anachronisms, but they are 29 families and individuals, a number of whom left their homes early this morning to attend this discussion and are present in the Visitors Gallery. They are not here to cause the Minister embarrassment or trouble but literally to plead with him to call off the evictions and sit down with them to agree a solution. We are not being prescriptive about what that solution should be, but the current method is certainly not desirable for anybody.

(Deputy Alan Shatter): The Deputy and I addressed this issue recently on the last occasion defence questions were taken. I will give some information that I previously gave to the House.

In February 1997 the then Minister for Defence set out the policy on married quarters on the basis that they were largely an anachronism and that they should be discontinued in a managed and orderly way. My Department has since discontinued the practice of providing such accommodation. In addition, given the age of the housing stock, it has been found that over time the properties require a significant and disproportionate investment in order to ensure compliance
with regulations for rental properties. In recent years much of the stock has become unsuitable for habitation and has had to be taken out of use. Consequently, there has been a sharp decline in the number of married quarters in use, with only 26 serving personnel occupying married quarters in the Curragh.

Personnel are obliged, as I have advised the House previously and as my predecessors have done, under Defence Force regulations to vacate married quarters within a specified period of being discharged from the Permanent Defence Force. The term “overholder” is used to describe former members of the Defence Forces and their families who have refused to leave married quarters within 21 days of leaving the Defence Forces. The situation of overholders continuing to occupy married quarters is not sustainable. There are 28 overholders in married quarters in the Curragh. The overholding charge for those paying ranges from €42.16 per week to €113.48 per week depending on property type. The majority of overholders are paying at the lower end of the scale. In the Curragh Camp of the 28 overholders, only 18 are paying all charges due. My Department is, therefore, in accordance with normal procedure, seeking vacant possession of overheld married quarters and will continue to do so until the overholding issue is resolved. It does not have a role, as I previously advised the Deputy, in the provision of housing accommodation for the general public and cannot subsidise housing for persons who have no entitlement and who may well have the means to supply housing for themselves.

As promised on the last occasion this matter arose, I have asked that a technical assessment of the pool of properties, taking account of the locations of the properties within the camp, their configuration, both internally and externally, and their general condition be undertaken so as to inform a decision on whether it is economically viable to restore and use any of the properties in a cost effective manner, restoration, of course, being dependent on funding being available in the future. The funding requirement is likely to be significant as the unoccupied properties are uninhabitable, with many in extremely poor condition.

*Additional information not given on the floor of the House*

Any development of property at this key location from the public purse must, in the first instance, be considered for use for military purposes. I cannot, as the Deputy will understand, support the illegal occupation of Department of Defence property by those who have no entitlement. The securing of alternative housing is a matter for the individuals concerned in the first instance. If individuals are not in a position to secure housing in their own right, it may be the case that they qualify for social housing or for some level of housing assistance. Officials of my Department have met Kildare County Council officials regarding overholders in order that they are aware of the situation and will advise overholders of procedures and requirements when making applications for social housing.

**Deputy Clare Daly:** The Minister has repeated everything he said previously and, in fairness, we refuted these points on each occasion. Essentially, he has argued that he is not in the housing business, that it costs too much, that other agencies look after housing, that he is the Minister for Defence and that people knew when they were given houses that they would have to leave. We can answer all of these points. Some did not know and they are in the Visitors Gallery. Even if it was stated in their contracts, they had a reasonable expectation that they could remain because the practice had been that the Defence Forces allowed people to remain on. The Minister answered us last month to the effect that, based on his Department’s figures, it made money out of the fact that they were there. Five times as much comes in by way of rent as goes out in paying for repairs to those dwellings. However, the main point we want to make is that
the Minister has a duty of care. Ten days after we had raised the issue on the previous occasion and four days before Christmas one of the families received an eviction notice. The father had given 42 years of loyal service to the State and raised his family in the house. He was a proud and committed soldier. He has tried to vacate the property. He has gone to the bank, but he has been told he is too old to apply for a mortgage. He has gone to the council which has told him he has too much money to apply for a council house. The people involved will not go away. I, therefore, ask the Minister to call a halt to the evictions and try to agree a solution with them. I do not know what it might be, but treating them in this way is appalling.

**Deputy Alan Shatter:** As the Deputy is well aware, many of the individuals to whom she is referring as overholders have been overholding for many years. The Department of Defence and the Defence Forces have given a great deal of leeway and consideration to the circumstances of the individuals involved. If that had not been the case, the individuals to whom the Deputy refers, some of whom I assume are in the Visitors Gallery, would not still be residing in these properties. That is factual and the reality. The difficulty is that there were conditions attached to the usage of these properties. I have the greatest regard and respect for members of the Defence Forces and, in particular, for members with long service, but I come back to the issue mentioned. Regardless of how emotively the Deputy wishes to present it, neither the Defence Forces nor the Department of Defence is a housing authority.

10 o’clock

The securing of alternative housing is a matter for the individuals concerned in the first instance. If they are not in a position to secure housing in their own right, again, it may be the case that they qualify for social housing and they qualify for some level of housing assistance. As I said to the Deputy previously, officials in my Department have met officials of Kildare County Council regarding over-holders. The council is aware of the situation and it will advise people of the procedures available. However, I cannot stand over families remaining in accommodation in which they are not entitled to remain. My Department and I, as well as my predecessors, have tried to deal with this matter in as humanitarian and as considered a way as possible and we will continue to so do. I have a duty as Minister for Defence to ensure that the specific rules applicable to the use of housing are complied with.

**Deputy Clare Daly:** The reality is that the Minister’s departmental officials have not engaged with people. The Minister’s implication that the Department has acted with leeway and consideration and in a humanitarian way by issuing eviction notices four days before Christmas indicates a very different understanding of the English language. I say again that these people are not going away, but not because they are unruly or troublesome; people of a military background are normally very good at obeying orders and do not like to question authority. The reason this will not go away is that they have nowhere to go. This issue will not disappear off the Minister’s radar and it will only get worse as more families are brought in to the net. Deputy Wallace, in a former life, was a builder. He made an offer that he would cost the works required to make those dwellings habitable. It would not cost the Minister anything to accept those figures. I ask the Minister if he will hold off the evictions and look at those proposals. Critically, will the Minister or his Defence Forces personnel in the Curragh meet these people who are in the Visitors Gallery? If he were willing to meet them afterwards when this discussion is finished they would tell him that the information he has given about how they are being treated fairly - that they were given information, encouraged and told what options are available to them - is not correct at all. I appeal to the Minister to organise a meeting in the Curragh with the Defence Forces or else meet them now after this debate. Otherwise, we will be back here...
Deputy Alan Shatter: The Deputy can repetitively raise the issue but, unfortunately, the position will not change. I will not comment on the expertise of Deputy Wallace in the building trade and what occurred with regard to outcomes in the manner in which he managed his construction company, because that is nothing to do with the matter. I have to rely on the advice and expertise of officials in the Department. As I said to the Deputy and to Deputy Wallace, who raised the same issue as to whether vacant properties have any possibility of future usage or could be renovated, this is a matter that is under consideration. We have engaged in conversations with Kildare County Council on the possibility of some joint housing scheme involving the Department of Defence and Kildare County Council with the council eventually taking over such a scheme. No funding has been identified for such a scheme and the likelihood of this being achieved is extremely uncertain due to a range of issues, including the security of Curragh Camp. Families and extended families cannot be permitted to reside in this location in circumstances in which they have ceased to have an engagement with the Defence Forces to the extent that no member of the family is a member of the Defence Forces. There are rules and regulations applicable to this, but I reiterate my central point that had there not been consideration for the real human circumstances of individual families, and had either I or my predecessors taken the type of approach that the Deputy is describing, many of these families would have been evicted years ago by way of court order.

An Leas-Cheann Comhairle: I ask Members to keep to the time limits under Standing Orders.

Deputy Seán Ó Fearghaíl: I will do my very best.

An Leas-Cheann Comhairle: I am not picking on Deputy Ó Fearghaíl.

Homeless Accommodation Provision

4. Deputy Seán Ó Fearghaíl asked the Minister for Defence if he or his Department has been informed of the number of former members of the Defence Forces who are now homeless; and if he will make a statement on the matter. [5867/14]

Deputy Seán Ó Fearghaíl: It is fortuitous that this question is being raised in the aftermath of the point made by Deputy Clare Daly. My question focuses on the relatively small cohort of people who have had great difficulty in making the transition from being members of the Defence Forces to being civilians. The problem for some is a difficulty in securing housing accommodation. Currently there are three hostels for former members of the Defence Forces operated by the Organisation of National Ex-Servicemen and Women, ONE. I pay tribute to Ollie O’Connor and others involved in that initiative.

Deputy Alan Shatter: The issue of housing and homelessness is a matter in the first instance for the Department of the Environment, Community and Local Government. A similar perspective was taken by my predecessors. As a matter of course, my Department does not provide homes for retired personnel, and for many years a process of phasing out married quarters for serving personnel has been in place. As such, my Department has no information on the number, if any, of former members of the Defence Forces who may be homeless.
My Department provides an annual subvention of €40,000 to ONE, which is dedicated to looking after the welfare of former service personnel of the Irish Defence Forces by way of providing accommodation to homeless, elderly or disabled members in need of such domestic accommodation and shelter and other assistance that may be required.

The organisation is a limited company with charitable status. It provides accommodation with 30 places in Smithfield, six places in Athlone and six places in Letterkenny. Any retired soldier, male or female, may contact the Smithfield centre directly and ONE will assist by directing the person to other facilities within the health services or the local authority services, or by offering a room, if vacant, in Dublin, Athlone or Letterkenny.

The funding from my Department is provided to support the general overheads of the organisation and expressly not for the provision of services that are provided to citizens, including members of ONE, by other State services, such as housing, health and social assistance. Dublin City Council continues to support the ONE homeless initiative in Smithfield. This support is very welcome.

Deputy Seán Ó Fearghaíl: The Minister cannot come in here and absolve himself entirely of responsibility for those people who leave the Defence Forces and who will have been institutionalised in some respects with the result that they become homeless. The Minister says his predecessors did likewise. I say they were wrong to approach the issue in that way and I say that the Minister is wrong now and that he has a responsibility to look at what is a manageable problem but one that none the less requires some level of ministerial involvement. It costs about €600,000 to run the three hostels in Athlone, Dublin and Letterkenny. The question is whether there is a need for hostel accommodation in other parts of the country, such as in the southern command area and in the Curragh area. If the Minister proceeds to evict the families in the Curragh, there will be a need for emergency accommodation for those people. This is a real issue and the Minister cannot pass on that responsibility entirely. I agree the Departments with responsibility for the environment and health have some responsibility, but the Minister also has a responsibility in this area.

Deputy Alan Shatter: It suits the Deputy for party political purposes to emote on what is a serious issue. His own party was in government for over a decade and did not address this issue. His party took the view that housing and accommodation issues are matters for local authorities and for the Department of the Environment, Community and Local Government. The Deputy’s emoting does not change that situation. The Department of Defence cannot assume a housing provision mandate. What the Department of Defence can do is be supportive of the charitable organisation ONE. Of course I would welcome if that organisation, as a charitable body, was able to raise funding to provide additional hostel facilities. The Deputy expects that a magic wand can be waved and he disavows any responsibility for this situation during his many years in this House while supporting his colleagues in government who took the same approach. There is a significant credibility gap between what the Deputy says on behalf of his party and what it did during the years when it dominated the Government.

Deputy Seán Ó Fearghaíl: The Minister is wrong again. In County Kildare, for example, when my party was in government and when we had the control of the local authority, we operated a policy whereby 10% of the local authority houses delivered in the Newbridge and Kildare area were retained for people who were classified by the Department of Defence as over-holders. I have been directly involved with the local community in Suncroft in developing a voluntary housing association, which has housed many people who would otherwise have
become over-holders in the Curragh Camp. The Minister will not be aware of the detail.

The broader issue is that for a limited number of members of the Defence Forces, making a transition from military life to civilian life is a problem. The Minister cannot completely absolve himself of responsibility for addressing that issue.

**Deputy Alan Shatter:** The Deputy has just confirmed the position. The initiatives in which he was engaged were to encourage, in so far as he was engaged in them, Kildare County Council to take up a responsibility for individuals who were clearly in need of housing and to engage with the trust that sought to deal with these issues. He has made exactly that point. Why did the Deputy so deal with the matter? He did so because he knew it was not the responsibility of the Department of Defence, nor appropriate to the Department, to so deal with matters. I would welcome further engagement from Kildare County Council, with which my Department has engaged with regard to over-holders. We seek to do what we can in that regard.

The Deputy has just established the truth of what I said. Any action he took when his party was in government was not to urge my predecessors to take on this responsibility but to seek engagement from the local authority. I would welcome such engagement but we all know that due to the fact that the economy got into difficulties and the Deputy’s party in government destroyed the public finances, the amount of funding available to local authorities to meet accommodation and housing needs across the community - not only among former members of the Defence Forces - is terribly limited, unfortunately. I wish there were more funding. Perhaps if there had been greater economic intelligence in government in the years between 2000 and 2011, we would not have found ourselves in this position and we would have the type of public authority housing building programme that all of us in the Government would like to see, rather than engagement in this sort of cynical play-acting in the House.

**Defence Forces Deployment**

5. **Deputy Mick Wallace** asked the Minister for Defence the number of occasions in 2013 on which An Garda Síochána requested support from the Defence Forces at Shannon Airport; and if he will make a statement on the matter. [5576/14]

**Deputy Mick Wallace:** Most people realise that funding is scarce, but that is all the more reason to ask why the State continues to spend money facilitating war efforts through Shannon Airport. People in the Curragh are being threatened with eviction from their homes, yet we can still find money to facilitate a war effort that has resulted in the slaughter of more than 1 million people.

(Deputy Alan Shatter): The Deputy’s question is about the number of occasions in 2013 on which the Garda Síochána requested support from the Defence Forces at Shannon Airport. It does not reference war efforts or 1 million people being slaughtered. I do not know where the Deputy thinks 1 million people have been slaughtered or why anything happening in Shannon Airport has resulted in that slaughter.

In the context of the actual question the Deputy raised, the answer is as follows. An Garda Síochána has the primary responsibility for law and order, including protection of the internal security of the State. Among the roles assigned to the Defence Forces is the provision of aid to the civil power, or ATCP for short, which in practice means to assist An Garda Síochána when
The Defence Forces have provided assistance to An Garda Síochána at Shannon Airport since 2003. In 2013, Defence Force personnel were deployed to Shannon Airport on 324 occasions in response to requests for support from An Garda Síochána. The length of each such deployment and the number of relevant aircraft that land and take off during each deployment can vary. For example, on a given day troops may be deployed to Shannon Airport once, but the mission as formally requested by the Garda may relate to the arrival and departure of more than one aircraft. On other occasions, for example, if a single aircraft is on the ground for an extended period, perhaps overnight, this may involve two or more deployments of troops, as each shift is generally of 12 hours’ duration.

Deputy Mick Wallace: It is amazing to learn that the Defence Forces were called on 324 occasions. As the Minister is aware, Margaretta D’Arcy is still in prison. It is interesting to note the comments of the former UN Assistant Secretary General, who highlighted that Ms D’Arcy’s refusal to sign a bond not to return to Shannon Airport is based on her belief in the Nuremberg principle of 1945 whereby individual citizens of any country have international duties and responsibilities that transcend national and domestic obligations of obedience to local law. If commonsense were to prevail, would this 79 year old woman not be released? What purpose is being served by her imprisonment? The Minister can argue that she cannot be released because the law is the law, but if the law were black and white, we would not need judges. It seems a strange call on the part of the State that a 79 year old woman has been locked up, especially given the number of people who were responsible for deaths and have not seen the inside of a prison.

Deputy Alan Shatter: From the Deputy’s engagement with the courts, we know he has no respect for the law. He is now raising issues that fall within the brief of the justice area, but I am happy to deal with them. What he has just said is untrue. He stated that the person he named had been asked to sign a bond not to return to Shannon Airport. That is entirely untrue. What the person has been asked to do is to sign a bond to keep the peace. A condition of her release was that she does not enter a portion of Shannon Airport excluded to the general public. She is perfectly entitled to be in any part of Shannon Airport that is open to the general public. If common sense were operating and the lady in question were not being used by a small group of individuals as a campaigning tool in the context of the issue the Deputy referenced earlier, common sense would have prevailed and she would have signed a bond to keep the peace. If she wished to attend at Shannon Airport and behave in a lawful way, she could do so. There is no question of her signing a bond.

It is offensive in the context of this issue to reference Nuremberg, and I wonder why the Deputy feels the need to make that reference in questions he puts to me. I am very interested and he might clarify that.

I must not say too much else because my understanding is that a further prosecution is pending in the case of a similar difficulty. My responsibility is to ensure that individuals do not wander out onto the runways in Shannon Airport, placing their lives at risk and possibly placing at risk the lives of 200 or 300 passengers. What would happen if the lady in question, accompanied by her some of her friends, were to wander onto a runway, God forbid, as an aeroplane was landing? If the pilot sought to avoid killing them and, as a consequence, the aeroplane crashed and 200 or 300 people died, would the Deputy take responsibility for that?
**Deputy Mick Wallace:** The Minister informed the House that the Defence Forces were called to Shannon Airport 324 times in 2013. The airport also has access to a strong Garda force. He tells us that to keep a 79 year old woman on a Zimmer frame off the runway, she has to be put in jail. What planet is the Minister living on?

The Minister can throw as many personal jibes at me as he likes about issues I have had with the law and he can claim I am a law-breaker. I could throw stuff across the floor at him but I am not remotely interested in getting personal with him. He is letting himself down. I do not understand the reason he takes such an approach.

Will the Minister consider meeting Margaretta D’Arcy? She has a mind of her own and is not being used by anybody. She is in prison in Limerick and it would be a good move for the Minister to sit down and have a chat with her.

**Deputy Alan Shatter:** The Deputy is consistently personal with me, but that is his prerogative. I note he did not explain his reference to Nuremberg. I know exactly why he is making that reference. He should have the courage to explain where he is coming from when he makes that reference.

In relation to this particular issue, a court order was made and was not appealed, as I noted previously. Margaretta D’Arcy could be released from prison later today or tomorrow morning if she signs the bond, as directed by the judge. There would be no reason for her to be in prison if she complied with the condition of staying off the runway. I do not know whether Margaretta D’Arcy uses a Zimmer frame. Does the Deputy seriously think it is in the public interest for an elderly person, regardless of the strength of her views on any issue, to have a free licence to go onto a runway - with or without a Zimmer frame - when an aeroplane could be landing, thereby placing at risk her life and the lives of others? This is not about age; it is about responsibility. I have a responsibility to ensure the safety of airline travellers and the general public is not jeopardised. Common sense would dictate that the lady in question would sign the bond and the matter would end.

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**Other Questions**

**Unmanned Aerial Vehicles**

6. **Deputy Brendan Smith** asked the Minister for Defence his views on the use of unmanned drones in military operations; and if he will make a statement on the matter. [1482/14]

25. **Deputy Micheál Martin** asked the Minister for Defence his views regarding the recent decision made at the European Council in relation to drones; and if he will make a statement on the matter. [4836/14]

**Deputy Brendan Smith:** As a country we should clearly outline our total opposition to the use in combat of unmanned drones, also known as unmanned combat aerial vehicles or UCAVs.
The EU must take steps, through the UN, to bring a halt to unlawful UCAV attacks. It should promote the agreement of an international treaty on UCAVs and the extension of the scope of the arms trade treaty to include UCAVs. The UN debate in October marked the first time member nations came together to discuss the rapidly expanding militarised use of remotely piloted aircraft and the fraught international legal issues it raises. Has the Minister discussed with his EU colleagues the discussions that took place at the UN in October?

Deputy Alan Shatter: I propose to take Questions Nos. 6 and 25 together.

The Defence Forces operate a system of unmanned aerial vehicles, or UAVs, as an information-gathering asset. They provide a low-cost and low-risk means of increasing surveillance and intelligence-gathering capabilities. They also provide a forward observation and surveillance capacity of potential threats for deployed units on overseas peace support operations, thereby enhancing force protection. As the UAVs acquired by the Defence Forces are at the low end of the UAV spectrum, there are no weapon issues associated with them. The initial deployment by the Defence Forces of UAVs was with the EU-led mission to Chad and the Central African Republic, which commenced in February 2008 when the Deputy’s party was in government. The deployment of Defence Forces UAVs with the UN follow-on mission, MINURCAT, continued until the withdrawal of the Irish battalion in April 2010.

The European Council meeting in December 2013 underlined the need to intensify EU-level co-operation on the development of remotely piloted aircraft systems. In this regard, the Council has asked the European Commission to establish a regulatory framework for the initial integration of remotely piloted aircraft systems into the European aviation system by 2016. The Council remains committed to delivering key capabilities and addressing critical shortfalls through concrete projects by member states, supported by the European Defence Agency. This support includes appropriate research and development activities for the integration of remotely piloted aircraft systems, which we refer to as UAVs, into European airspace as soon as possible. It also supports close synergies between the relevant bodies and agencies and member states engaged in the development of technologies needed in this capability area.

Remotely piloted aircraft systems have a wide range of civilian and military applications, particularly in the area of surveillance over land and sea. They have the ability to perform tasks that manned systems cannot perform for safety or economic reasons. Remotely piloted aircraft can efficiently complement existing manned aircraft or satellite infrastructure used in areas like environmental protection, maritime surveillance, natural disasters, crisis management and border control. While Ireland is not actively involved in this project, it endorses the work being carried out by the European Commission and the European Defence Agency.

Deputy Brendan Smith: I thank the Minister for his reply. When I said we should be opposed to the use of drones, I was of course referring to their use in combat rather than their use in surveillance work. Does the Minister recall whether the comments of the UN special rapporteur on human rights and counter-terrorism were discussed at EU level? The rapporteur, Mr. Emmerson, is engaged in an ongoing investigation into lethal extra-territorial counter-terrorism operations. He has concluded that 33 drone strikes which are known to have caused civilian casualties may have been carried out in violation of international law. Mr. Emmerson has told the UN that the “single greatest obstacle to an evaluation of the civilian impact of drone strikes is lack of transparency, which makes it extremely difficult to assess claims of precision targeting objectively”. He has also urged UN delegates to consider whether an absolute ban is needed on secret deals cooked up between states for engagement in joint military actions. Perhaps the
Minister will elaborate on the discussions that have taken place at EU level. Is it proposed to discuss the legality of this activity, and the possible violation of international law, at the next EU Council meeting?

Deputy Alan Shatter: The substantial discussions I have engaged in with my ministerial colleagues regarding the use of drones have focused particularly on the areas I mentioned in my reply. Drones can undertake a range of useful functions in areas like maritime surveillance and troop protection. I am not aware of any conspiracy like that referred to by the Deputy. I reiterate that this State does not have any drones with armed capability. I recall a well-known and respected radio broadcaster being outraged one day when he heard, based on a misunderstanding, that we had drones. It was very helpful to have drones in Chad because they facilitated forward surveillance to provide troop protection. They were the circumstances in which the drones were used. Of course it is important that civilians do not lose their lives as a result of the inappropriate use of armed drones by any nation. Ireland is not engaged in such activity. Indeed, I am not aware of any such activity that happens on an EU-led basis. As far as I am aware, there is no EU mission at present in which drones are deployed in this manner on an EU or UN basis to target anybody.

Energy Usage

7. Deputy David Stanton asked the Minister for Defence his plans to implement measures to conserve energy in his Department or bodies under the aegis of his Department; and if he has appointed or intends to appoint a person or persons to oversee energy conservation. [5627/14]

27. Deputy David Stanton asked the Minister for Defence the policy and practices in place to promote energy conservation in his Department’s offices and all the facilities under the aegis of his Department; and if he will make a statement on the matter. [5626/14]

Deputy David Stanton: As the Department of Defence and the Defence Forces are large users of energy, I am curious to know what efforts are being made to conserve energy and reduce energy costs. I realise that a great deal of work has been done. I want to give the Minister an opportunity to tell us about that. Are there plans to make further reductions?

Deputy Alan Shatter: I propose to take Questions Nos. 7 and 27 together.

The Defence organisation has a strong record in the area of energy conservation. As the Deputy will be aware, the European Communities (Energy End-use Efficiency and Energy Services) Regulations 2009 oblige all public sector bodies to report annually on their energy usage and the actions undertaken by those bodies to reduce consumption. My Department is taking a proactive approach to make progress with energy-efficient initiatives. An energy team, which was established in 2010 and reports to the human resources manager, is responsible for identifying, driving and monitoring the effectiveness of energy-efficient initiatives throughout the Department in consultation with the OPW. The team is an active participant in the OPW’s ongoing Optimising Power at Work campaign. Energy-saving initiatives which have been implemented in recent times include the introduction of a smart-lighting system, the installation of timers on water heaters and boilers and the shutting down of PCs outside office hours. The Department’s new building in Newbridge has also contributed to an increased focus on energy conservation as it has advanced energy-efficient lighting controls and automated air conditioning systems and uses wood pellets as the main heat source. Since 2010, the Department has achieved an
The Defence Forces have established a robust energy management structure, which is active at all levels of the organisation. A senior energy executive committee, chaired by the Deputy Chief of Staff, is responsible for all energy matters, including energy conservation. In addition, energy management teams are established in each Defence Forces installation. The Defence Forces are proactive in pursuing initiatives to reduce energy consumption. Recent successes include the installation of a natural gas pipeline in Custume Barracks using a higher calorific value natural gas, the automatic shutting-off of boilers when the hangar doors are opened at Casement Aerodrome, the rescheduling of heating times in various barracks and the installation of new energy-efficient smart lighting systems. The Defence Forces have set an annual energy savings target of 3% and reported a 7.1% saving in building energy use in 2011. Their overall energy use has been reduced by 12.3% since 2007. I am pleased to say that both the Department and the Defence Forces have received recognition for their efforts in reducing energy consumption. In 2012, the Defence Forces became one of the first militaries in the world to be certified to an internationally recognised energy management standard, ISO 50001. In 2013, the Department’s Renmore office won the best energy team category at OPW’s regional energy awards.

All feasible options to conserve energy across the defence organisation will continue to be explored. To this end, I am advised that as part of the construction plans for the new prison in Cork, a preliminary discussion has recently taken place between officials from this Department, the Irish Prison Service and the Department of Justice and Equality to discuss the possibility of a shared energy generation system for the new prison and the adjacent Collins Barracks. Energy conservation is a key priority for me and for this Government and has a pivotal role to play in creating the conditions for a return to economic growth and job creation. As part of our commitments in this regard, we have set a challenging target to reduce public sector energy consumption by 33% in 2020. I am fully confident that the defence organisation will more than play its role in helping us meet this target.

Deputy David Stanton: I thank the Minister for that comprehensive response. Much progress is being made. Has any research or thought been given to introducing combined heat and power plants in the various barracks and military installations across the country? I am told that significant efficiencies can be gained there, that they are 25% more efficient and the carbon footprint can be reduced. Would the Minister ask his officials in the Department and the Defence Forces to examine this and report to him and back to the House with any possibilities in this area?

Deputy Alan Shatter: I am very happy to ask my officials to explore further these matters. It is very important in the context of energy conservation that we achieve the maximum efficiencies and synergies between different parts of Government, such as the Defence Forces, other Government agencies of the Department of Justice and Equality or other Departments. I am very enthusiastic to advance the implementation of systems that make economic sense and will bring about energy conservation over a period of time, that are both environmentally sound and will ultimately save resources. I am very happy to raise further the issues the Deputy mentioned.

Deputy David Stanton: I thank the Minister. He referenced the Cork prison and the adjacent Collins Barracks. Regarding the systems that will be installed there, have they considered combined heat and power? Have they engaged with companies that would be in a position possibly to share the savings into the future? Major savings could be made in the wider brief of the
prisons, which is a separate area.

**Deputy Alan Shatter:** Deputy Stanton has a very great and personal interest in the new Cork prison and Collins Barracks adjacent to it. Discussions are taking place. I cannot predict the outcome of those discussions but we are examining the matters the Deputy raised and in which I have a great interest. I hope benefits will accrue from the engagement that is taking place but it is a little early for me to say definitively to the House how we will proceed. I will be happy to keep the Deputy informed about progress being made.

**Departmental Bodies Expenditure**

8. **Deputy Pádraig Mac Lochlainn** asked the Minister for Defence the budget allocation to the Civil Defence for the years 2008 to 2014, inclusive. [5625/14]

**Deputy Pádraig Mac Lochlainn:** The Minister will appreciate that the Civil Defence has been busy again in recent times with all the severe weather we have faced. It is a fantastic resource to our communities across the State. I want to establish the extent of the impact of cutbacks on it in recent years.

**(Deputy Alan Shatter):** The budget allocations from the Department of Defence Vote for Civil Defence for the years 2008 to 2014 are as follows:

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<tr>
<th>Year</th>
<th>Budget (€)</th>
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<tr>
<td>2008</td>
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<td>2009</td>
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I am pleased to say that, in light of the overall economic challenges facing the country, from 2008 to 2010 my Department succeeded in maintaining a reduction in the order of only 3% to the allocation for Civil Defence in that period. In 2011 Civil Defence was managed at national level by the Civil Defence board and the reduction to €5.585 million in that year was brought about by a requirement in the National Recovery Plan 2011-2014 for all State agencies to reduce their operating costs by 10% for that year. Since 2011, in spite of the difficult overall budgetary situation, I have been successful in maintaining the allocation available for Civil Defence programmes at more or less the same level. The lower figures for 2013 and 2014 reflect the abolition of the Civil Defence board and the transfer of its responsibilities to my Department with effect from 1 January 2013. The provision for staff salaries and other administrative costs for these years has been absorbed into the general Department of Defence Vote. What appears on the surface to be a reduction is not one because of the manner in which the Vote has been dealt with.

The funding of €4.243 million allocated to Civil Defence in 2013 was expended as follows:
65% on grants to local authorities to support the operational and training costs of local Civil Defence units throughout the country; 21% on the central purchase of items of uniform and personal protective equipment, vehicles and other items of equipment for Civil Defence use; 8% on central training costs; 5% on insurance for volunteers, vehicles and equipment; and 1% on other miscellaneous expenses.

I commend the almost 4,500 active Civil Defence volunteers throughout Ireland for the ongoing support they provide to the front-line emergency services and also their dedicated service to their local communities. Last weekend’s serious flooding in Limerick was just one example of how, right across the country, volunteers have been assisting local authorities in helping communities cope with the effects of severe weather. Volunteers have been evacuating homes, pumping water, distributing sandbags, helping to distribute animal feed and re-directing onlookers away from affected areas. Also in recent weeks, Civil Defence volunteers have spent many hours supporting the Garda in searches for missing persons in several parts of the country. Here in Dublin, Civil Defence provided welfare and logistical backup to the fire service in dealing with a major fire in Ballymount.

I pay particular tribute to the engagement of members of Civil Defence across the country in the context of the floods experienced in recent days. Their dedication, volunteerism and professionalism are superb. We owe them a debt of gratitude across the community for the work they do. They have conducted themselves in an outstanding manner and are a crucial assistance when events such as the dreadful flooding we have seen take place. It is right that we use this opportunity to record our thanks to all members of Civil Defence who have been so engaged. There is a possibility that they may need to be further engaged in the coming days. I thank them for their commitment.

*Additional information not given on the floor of the House*

As I stated when I launched the winter ready campaign in November and again in my opening statement to the Oireachtas Select Committee on Justice, Equality and Defence last week, I am more than aware of the crucial role that Civil Defence plays in supporting all of the front-line services. For that reason I intend to ensure that an adequate level of funding is made available through the Civil Defence branch of my Department to support the efforts of local authorities and volunteers.

*An Leas-Cheann Comhairle:* Thank you, Minister. We all agree with that.

*Deputy Pádraig Mac Lochlainn:* Yes, absolutely. The Minister said in 2008 Civil Defence funding was approximately €6.8 million and it is down to €4.24 million this year. That would suggest a cut of approximately one third but the Minister suggests those figures do not give the full facts. Maybe we will tease that through. The Civil Defence came back under the remit of the Department of Defence in recent times, which was supported by all Members of the House at that time as a sensible enough move. The concern was that there would be an impact on training and resources going into those areas. Will the Minister engage with the Civil Defence Officers Association, the representative association? There is concern round the replacement of vehicles. They have different issues. I ask the Minister to make arrangements to meet that association in the near future if he has not done so recently to tease through the issues.

It is not enough for us in this House to thank them collectively. The people involved as volunteers in the Civil Defence or the Reserve Defence Force represent all that is best about being
Deputy Alan Shatter: I am always happy to meet people where it is appropriate to do so. I will have no difficulty in meeting Civil Defence members and it is unnecessary to raise that issue in the House as a question.

As I mentioned previously, the apparent major reduction in funding, between 2012 and 2013, was simply a reflection of the abolition of the Civil Defence board. Many of the costs of Civil Defence such as the salaries of those working in Civil Defence headquarters and the training college were transferred from the former Civil Defence board to the Department of Defence. This had no impact on day-to-day Civil Defence activities throughout the country. Effectively, a portion of the moneys which formerly had been allocated to Civil Defence to meet various expenditure items is now part of the general expenditure of the Department of Defence. Therefore, there has not been a dramatic reduction in the budget, which is why I explained the figures in the way I did.

It is important to have regard also to matters relating to funding because not all of the funding provided for Civil Defence comes from the Central Fund. Civil Defence units throughout the country operate under the control of Civil Defence officers, CDOs. The CDO is a full-time employee of the local authority and activities are funded through a combination of the central grant from my Department and direct funding from the local authority. The central grant is normally approximately 70% of the expenditure on Civil Defence in the local authority area. As well as grant aid, the Department provides other supports for local Civil Defence units. For example, we provide for central training through the Civil Defence college in Roscrea. The Department also provides vehicles, uniforms and a wide range of equipment. If issues in regard to equipment are a cause of concern, I will be happy to discuss them. It is important that it is understood additional assistance is provided by local authorities for individual Civil Defence units across the country. Therefore, the financial figures I have provided do not give true and total visibility to the funding provided.

Deputy Pádraig Mac Lochlainn: It is good to receive reassurance that the figures are not as stark as they first appeared. However, will the Minister invite Civil Defence representatives to discuss this issue? I have no doubt that he was sincere in his praise of Civil Defence and we all feel the same about it. Will he make contact with the organisation to invite its representatives to meet him to outline deficiencies in what they require in terms of training or vehicles? He may not be able to solve every problem but meeting the representatives would be a good gesture, particularly following the activities in which they have been involved in recent times. They have been helping communities throughout the recent weather crisis. The Minister should try to engage with them in the next month or so to tease out the issues. Many voluntary organisations do not want to shout and scream for help as they see this as political. I suggest the Minister invite them to come and thank them for the work they have done and see what more can be done to assist them. I urge him to do this.

Deputy Alan Shatter: In the context of organisational and assistance issues, these matters have, effectively, been centralised through the Department of Defence, rather than a separate board. Because of this, there is regular contact, on a daily basis when necessary, with members of Civil Defence. There is no difficulty in meeting a group representing members of the organi-
In the context of Department of Defence matters, I discuss issues with my officials on a daily basis and these discussions include matters relating to Civil Defence, the numbers within it, the nature of the work involved, its engagement when difficulties arise such as looking for missing persons, dealing with flooding or other issues. I receive regular reports on what is occurring and I am very interested in the work being done. I hold members of Civil Defence in high regard. They are a superb example of voluntarism the length and breadth of the country.

Foreign Conflicts

9. Deputy Dominic Hannigan asked the Minister for Defence the position regarding the decision taken by the EU to deploy a military mission to the Central African Republic; the rationale for this decision; his Department’s rationale for not participating; if Ireland will deploy any personnel and the nature of their role; and if he will make a statement on the matter. [5560/14]

Deputy Dominic Hannigan: We are all aware of the awful situation in the Central African Republic where a dreadful war is taking place and we see lynchings, the fleeing of women and children and rape being used as a means of war. At their meeting in January the European Council and the Council of Foreign Ministers agreed to deploy a force to the Central African Republic. Will the Minister outline the rationale for that decision and, also, the rationale for Ireland not participating in that force?

Deputy Alan Shatter: Some terrible atrocities have been committed in the Central African Republic and the news last night and the newspapers this morning reported on a dreadful event in which an individual had been lynched and killed by official army forces.

On the specific issues raised by the Deputy, the European Council, in its conclusions of 20 December 2013, expressed its concern at the continuously deteriorating crisis in the Central African Republic and its severe humanitarian and human rights consequences. It welcomed the French military intervention in support of the African forces to help to restore security. It also confirmed the European Union’s willingness to consider how it might contribute towards the efforts under way to stabilise the country, including under the Common Security and Defence Policy, CSDP.

On 20 January 2014 the Council approved a crisis management concept for a military bridging operation in the Central African Republic to help to stabilise the situation. The mission will operate under United Nations Security Council Resolution 2134 which was adopted on 28 January. The Council stressed the importance of close co-operation between the mission and partners, notably the United Nations, the African Union and the central African authorities, as well as with the supporting French operation in the Central African Republic. The operation will provide support for a period of up to six months to help to achieve a secure environment in the Bangui region, with a view to handing over to the African Union force once this force has reached full operational capacity. The force will protect civilians and create conditions for the distribution of humanitarian aid.

Ireland is fully supportive of EU actions in the Central African Republic. While Ireland,
owing to current ongoing overseas commitments, including our engagement in 14 UN related missions across the globe, will not be contributing personnel to the mission, we will contribute to the common costs of the mission. Our contribution will amount to approximately €271,000.

**Deputy Dominic Hannigan:** We are all aware of the dreadful situation in countries such as Rwanda and the Balkans in recent decades and the failure of the international community to react appropriately and in time. Does the Minister think the reaction agreed to in January will be sufficient? Many question whether enough is being done. In regard to our decision, he has mentioned we are committed to missions in 14 countries, including places such as the Golan Heights. Is there a specific role for Ireland in the mission to the Central African Republic? In the area of humanitarian intervention, for example, we have specific expertise in crisis relief. Does the Minister envisage us playing a role in this area?

**Deputy Alan Shatter:** Our participation in a particular mission is always a matter for continuing review. The most recent deployment of our forces in large numbers was on the UNDOF mission to the Golan Heights in Syria where we now have approximately 125 personnel. We were specifically requested by the United Nations to take part in that mission because of the understanding our troops had of the region, our engagement there and the skills set we could bring to it at a time when troops from other states, including Austria, had decided to disengage from it. It is a time of great difficulty in the area in the context of the civil war taking place, the dreadful humanitarian disaster and the dreadful atrocities being committed by all sides. Some 130,000 people have died in the civil war, over 10,000 of whom were children. Approximately 40 journalists have been kidnapped or abducted by extreme organisations. With regard to UNDOF, we were asked if we could provide our niche skills and we are now doing this. As Minister I must be conscious as to the number of missions in which we can engage. As I stated, we have engagements in 14 missions across the globe and I believe, but I am open to correction, this is the largest number of missions in which we have ever been engaged. In some locations there is a small number of Defence Forces members and in others there is a very large number such as in southern Lebanon. Decisions must be made in this regard. I do not think our EU colleagues, because of our commitments in the Golan Heights, southern Lebanon and elsewhere, expected we would contribute to this mission at this stage, but it is a matter of ongoing consideration and review and should it at some stage seem appropriate or should we conclude there is an engagement we should have it will be a matter for decision by the Government and the House under the triple lock mechanism. This is a UN-sanctioned mission so it is a mission in which we could participate with the agreement of the House and the Government, but as at this time the decision is we will not be participating in it.

*Written Answers follow Adjournment.*

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**County Enterprise Boards (Dissolution) Bill 2013 [Seanad]: Second Stage**

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry):** I move: “That the Bill be now read a Second Time.”

I welcome this opportunity to present the County Enterprise Boards (Dissolution) Bill 2013
Dáil Éireann

to the Dáil. The purpose of the Bill is to give effect to the Government’s decision in 2012 to reform the system for delivery of State supports to micro and small enterprises. It was agreed this was to be achieved by dissolving the county enterprise board structure and creating an enhanced enterprise support model to be delivered at local level through the new local enterprise office, LEO, initiative.

This is a technical Bill to provide for the formal dissolution of the county enterprise boards; the transfer of their functions, assets and liabilities to Enterprise Ireland; the transfer of the staff to either Enterprise Ireland or the local authorities; and to make pension provisions for those and any previous staff.

I will outline the background of the rationale to reform the system for delivery of supports to micro and small enterprises. At national and local level, the indigenous microenterprise and small business sector - the lifeblood of our economy - is central to economic recovery, job creation and the future development of the Irish economy. Our vision is to ensure locally accessible supports are available which will nurture entrepreneurship and promote the creation and maintenance of employment, with a dedicated culture of delivery. The programme for Government contained a commitment to merge the local enterprise and job support functions of local, regional and national agencies into a single business and enterprise unit within local authorities. The restructuring of micro and small enterprise supports deals comprehensively with this commitment to create a single business support entity at local level. It does so without fragmenting the national enterprise policy focus on job creation, dynamic regional development and strong export growth.

The Action Plan for Jobs recognises the indigenous microenterprise and small business sector will be central to economic recovery, job creation and the future prosperity of the Irish economy. The Action Plan for Jobs reaffirms the need to ensure the national enterprise support model for these sectors is a premium model delivering a high-quality seamless service. Furthermore, the creation of LEOs in local authorities reflects the commitment to an enhanced economic and enterprise support and development role for local authorities in the Government’s action plan for effective local government.

Local authorities will merge the enterprise support elements of their business support units with the LEOs to provide an integrated micro and small enterprise support service at local level. In recognition of the changes to the social, economic and technological landscape of Ireland in recent years, this strategic reform of the system for delivery of support to businesses will make the operating environment more coherent, responsive and conducive to entrepreneurship at local level.

County and city enterprise boards, CEBs, have had an impressive track record in job support over the past 20 years. The new LEO structure will draw and build on the positive enterprise culture of the successful CEB model. On average, CEBs assist approximately 1,000 micro-enterprise projects each year through direct grant assistance, in addition to providing soft supports including training, mentoring and management. In 2013, just over €9.5 million was provided by the CEBs to micro-enterprises by way of capital grant support, with just under €8.5 million spent in providing soft supports. Provisional activity outputs for 2013 indicate more than 26,000 participants were on CEB training courses and more than 6,500 participants were on management programmes, while almost 6,000 clients received mentoring support.

The creation of the LEOs will see the establishment of a local first-stop-shop for new entre-
preneurs and existing micro and small business owners. The LEOs will become the front door through which all information on State supports for small and micro businesses can be accessed and they will also provide access to information and advice on other supports and bodies with services relevant to micro and small businesses. Other services will include those provided at present by the business development units of local authorities, the Department of Social Protection, the Department of Education and Skills, Microfinance Ireland, the Credit Review Office and enterprise-focused supports from Revenue. The services to be provided by the LEOs are broken down into four main areas. These are business information and advisory services; enterprise support services; entrepreneurship services; and local enterprise development services.

The key element of this new structure will be its commitment to delivering a customer-focused enhanced service with renewed local emphasis on enterprise and job creation combining the best of the CEBs, local authorities and Enterprise Ireland. It offers a huge opportunity to leverage the skills, resources and experience of these three bodies in tandem with the local business community to create an on-the-ground approach to local entrepreneurs and small businesses and dovetail with national enterprise supports and agencies. It will also open up the opportunity to identify businesses with clear high-growth potential which can be fast-tracked to the next level of support from Enterprise Ireland or other State agencies.

The first-stop-shop service will be delivered through a network of 31 LEOs throughout the country. A high level of co-ordination and collaboration is envisaged between the LEOs and other providers of support to the micro and small business sector. There will also be greater co-ordination of delivery of services between the LEOs and other players in the area to support a regional strategy for enterprise and jobs. They will be incentivised to come together to pool expertise and resources and co-operate on a regional basis to deliver various services, such as running joint training and mentoring programmes. A competitive funding element will also be designed and introduced to support the best projects, to demonstrate success and best practice and to encourage high performance and innovative ways of working across the LEO network.

Not only will the new LEOs provide the full range of services delivered by the CEBs, but they will also provide the full range of services, including advice and information for local businesses on accessing public procurement processes, currently provided by the business support units in local authorities. In this context, local authority staff with relevant experience, and who have been trained in providing supports to local enterprises, will also be assigned to the LEOs. Furthermore each LEO will be able to acquire additional resources, with relevant expertise such as planners, public sector procurement and on commercial rates from within the local authority as required.

*11 o’clock*

Local authorities play a leading role in creating a pro-enterprise supportive environment to generate new jobs and sustain existing ones. Last April, the County and City Managers’ Association published a report, Supporting Enterprise, Local Development and Economic Growth - Analysis of Local Authority Activities for 2012, together with a database of over 2,300 individual actions that county and city councils are delivering in support of economic development and jobs. These activities range from infrastructure development, including enterprise infrastructure, through to economic promotion, including information dissemination.

They also include the establishment of collaborative structures focusing on economic development, research and innovation and developing employment initiatives within commu-
ties, all the way to financial support for festivals and events, and the provision of recreation and amenity facilities.

Regulation by or on behalf of the State plays an essential role in ensuring that economic activity by individual economic actors is consistent with wider social and national objectives. This includes health and safety, consumer protection, environmental quality, competition, and the provision of essential services. It is important, however, that regulation should not place an unnecessary burden on business activity. In this context local authorities, through the County and City Managers’ Association, are actively working with the Department of the Environment, Community and Local Government and Forfás in developing a single portal for the delivery of an integrated licensing system for businesses.

To achieve these tailored supports to the highest standards, a robust service level agreement, SLA, has been agreed in a partnership between local authorities and Enterprise Ireland. A copy of that agreement was circulated to all Deputies yesterday. It is a comprehensive document and I strongly recommend that it be studied closely. This agreement sets out a framework for protocols relating to budgets; project evaluation and approval; micro-enterprise policy guidelines as articulated by the Department of Jobs, Enterprise and Innovation; robust performance indicators measuring employment, start-ups and other metrics; roles and responsibilities of respective bodies including Enterprise Ireland, the local authorities and the local enterprise offices, LEOs; and corporate governance.

This detailed service level agreement will provide a framework for the delivery of an enhanced service to micro and small enterprises, and will be periodically reviewed to ensure that impact and value for money are being optimised via the LEO network.

A key element of this new structure will be the consistent application of policy and best practice across all LEOs from the evaluation of applications to the spending of budgets allocated. This will be monitored using the agreed service level agreement in each local authority. The ongoing drawdown of budgets by LEOs will be contingent on them reaching agreed targets.

The highest level of corporate governance will be applied, which will involve the articulation and dissemination of the new national micro-enterprise model, the allocation of budgets in line with agreed funding guidelines, including spot-checking and quality assurance, the management of assets and liabilities, and ongoing engagement with stakeholders.

To ensure the LEOs are delivering best practice supports for entrepreneurship, research into international programmes will be carried out in conjunction with the evaluation of current programmes run by LEOs.

A set of robust metrics form part of the framework service level agreement. They will be tailored to suit the size and capacity of each LEO and included in a local enterprise development plan that will be agreed annually between each LEO and Enterprise Ireland, which addresses the development needs of micro and small enterprises in their respective counties.

The LEOs will be supported by a centre of excellence, which has already been established within Enterprise Ireland. The centre will lead, develop and manage the enhancement of a support service that generates innovative, small and micro-enterprises capable of increasing employment, exports and adding value to the Irish economy.

The functions of the centre of excellence will include promoting innovation and best
practice in the approach to supporting start-ups and entrepreneurship; working in conjunction with LEOs to design and deliver appropriate national training and management development programmes at local level; developing a common approach to mentoring and mentor management; providing ongoing training and development for LEO staff; reviewing and benchmarking the services and supports available from each LEO to promote best practice; and development and review of the service level agreements and the promotion of high levels of performance and appropriate metrics.

It is to be expected that, over time, there will be some savings resulting from the removal of costs associated with the individual company status of each county enterprise board and reduced rental costs associated with the relocation of some offices. However, initial direct savings will be modest as it could take some time to realise these savings due to existing rental arrangements.

Some small additional initial expenditure will be needed, for example, for staff training and to develop a single local enterprise office website to replace the 35 existing sites. There will be no savings on staffing arising from the dissolution of the CEBs as existing staff will be redeployed to the local enterprise office.

Section 1 defines certain terms used in the Bill. Section 2 defines the functional area of a city and county council for the purposes of this legislation. Section 3 states that any expenses incurred in the administration of the Act shall be paid out of moneys provided by the Oireachtas. Section 4 empowers the Minister to appoint, by ministerial order, the day on which the county enterprise boards shall be dissolved. Section 5 enables the Minister to dissolve the county enterprise boards on the appointed day.

Section 6 provides for the transfer of the existing functions of the county enterprise boards to Enterprise Ireland; provides for the transferred functions to be performed by a local authority, in the functional area of a local authority, on behalf of Enterprise Ireland; and amends section 10 of the Industrial Development Act 1995 by deleting the words “subject to the prior consent of the Minister” because Enterprise Ireland already has the enabling powers specified.

Section 7 provides for all land and other property, including assets, previously vested in a county enterprise board to be transferred to Enterprise Ireland. All rights, powers and privileges relating to or connected with such land are to be vested in Enterprise Ireland without the need for a conveyance or assignment.

Section 8 provides for the transfer of rights and liabilities of a county enterprise board to Enterprise Ireland. It also provides that in the event of an action to sue, recover or enforce, Enterprise Ireland may do so in its own name without the need to give notice of the transfer to the person whose right or liability is transferred. Finally, it provides that any lease, licence, wayleave or permission granted by a CEB shall continue in force as if granted by Enterprise Ireland.

Section 9 will allow any claim in respect of loss or injury alleged to have been suffered during the performance of CEB functions to now lie against Enterprise Ireland, and allows Enterprise Ireland take the place of a county enterprise board in any legal proceedings to which a county enterprise board is a party immediately prior to the transfer.

Section 10 ensures that anything commenced by a CEB, for example, loan agreements, grants, equity investments etc., does not fall on the transfer to Enterprise Ireland of the functions, assets and liabilities of the county enterprise boards. Section 11 empowers the Minister
to designate staff of a county enterprise board to Forfás, Enterprise Ireland or a local authority.

Section 12 provides for Forfás, Enterprise Ireland or the local authority to accept staff into their employment who were previously employed by a county enterprise board on terms and conditions no less favourable in relation to remuneration; the amendment of the Second Schedule of the Industrial Development Act 1993 in relation to the secondment of staff; and the protection of pension entitlements to existing staff and pensioners.

Section 13 sets down the provisions regarding the preparation and submission by Enterprise Ireland of final accounts and final reports of the county enterprise boards. Section 14 provides for the Short Title, the County Enterprise Boards (Dissolution) Bill 2013, and commencement.

These reforms amount to a radical transformation of the way in which supports to enterprise are delivered at local level and will ultimately lead to the creation of more jobs. Small enterprises are a central part of the economy and their ability to succeed and grow underpins our future potential for jobs, growth and prosperity. In this country 98.5% of all firms are small and they employ over 650,000 people in total. It is vital that we continue to focus on delivering a practical programme of actions and enhanced supports that can achieve positive improvements in the operating environment for micro and small businesses. I commend the Bill to the House.

Deputy Dara Calleary: I thank the Minister of State and his officials for providing us with a copy of the service level agreement, SLA. It is an incredibly detailed document, but it has addressed some of my concerns about the Bill. However, while I do not propose to oppose the Bill on Second Stage, I will be tabling a number of amendments on Committee Stage to address my remaining concerns about the role played by Enterprise Ireland. I have discussed these concerns previously with the Minister of State. Enterprise Ireland does a fantastic job, but its expertise and supports are focused on companies that want to export, high potential start-ups, HPSUs, and high technology companies and I fear that the types of company that have previously been supported by county enterprise boards will fall between the cracks. The SLA, section 5 in particular, goes some way towards addressing these concerns, but we should continue to monitor the issue. Not all companies want to be HPSUs. They may just want support in setting up their operations. In many cases, these supports are not even financial in nature. The county enterprise boards provided training, networking and, most important, mentoring support. Quietly and behind the scenes, they facilitated experienced business people in offering a helping hand along the way for new businesses. The SLA provides that such work can continue, but we must ensure it does continue.

The enterprise boards have done a phenomenal job since 1993. They created and supported 33,000 jobs through an average of 900 projects and almost 25,000 participants per annum. They have supported a wide range of business activities, from the traditional candlestick maker to leading edge technology companies. This support has helped to build companies such as EduBills which was established by Sandra Maguire with the assistance of her local enterprise board. As a parent and secretary in her local school, Ms Maguire was familiar with both sides of the issue of school books. She established EduBills to offer an online mechanism for schools to upload book lists and other charges and a secure facility for parents to pay school costs online. This project is now making a big difference around the country.

An economic audit carried by the South Dublin County Enterprise Board in 2004 showed the work that could be done when a proper enterprise board worked in tandem with its local authority. We must ensure that work can continue under the new arrangement. For several
years Mayo County Council has been preparing for the new model by establishing an economic investment unit. Having seen how it operates on the ground, this model has assuaged many of my concerns. However, such a model will not be repeated everywhere unless the SLA is robustly enforced and county councils are sanctioned where they do not implement it. However, I do not think the local authorities will be the problem. Enterprise Ireland will have to come to the table with an understanding of local business, as well as the traditional clients. There will need to be consequences for its budget if it does not deliver. The SLA sets detailed performance targets for each local enterprise office, LEO, but what are the targets for Enterprise Ireland and what will be the consequences if it does not meet them? LEOs which break national averages for performance, support and applications should also be rewarded with bigger budgets. That is the only way we will engender a sense of responsibility for the new model.

My party shares responsibility for pulling local representatives from playing managerial roles in local authorities. I am sure the Minister of State, Deputy John Perry, brought his business experience to Sligo County Enterprise Board. A significant number of public representatives have contributed their time to enterprise boards, not for the glory of it - there is none - but because they want be involved in the economic development of their local authority areas. We have replaced this close involvement with a fluffy commitment in the SLA on establishing a reporting relationship between local authorities and their members in the operation of the LEO. In the past few weeks this House has dealt with a number of reporting relationships that have not worked well. Under the current system, the enterprise boards hold monthly meetings to update board members on activities and councillors have a responsibility to ensure the targets for the county are met. I ask the Minister of State to consider how elected representatives can be involved in the day-to-day operations of LEOs.

There is no sense in changing the entire model of local enterprise if we do not address the elephant in the room, namely, budgets. County enterprise boards had a budget of approximately €18 million last year for client activities, compared with the €89 million IDA Ireland spent on grant aid for its client companies. IDA Ireland does a great job, but I can only imagine what county enterprise boards could do with a fraction of its budget. They certainly need significantly more than what they are getting. They also have the potential to do much more. We have seen from IDA Ireland’s visit figures that its investment is not being spread around the country. We are depending on the LEOs to drive economic development in areas where IDA Ireland does not give a damn. It will be up to LEOs to deliver the fruits of recovery and change the culture of the country in order that it understands business is a noble activity and that if it does not work, one starts again. Cultural change is required in many areas, but the new model will have to drive that change. Unless the LEOs are properly resourced, they will not be able to be drivers of change.

I am delighted that the SLA gives LEOs a central role in student enterprise awards. We need to get the idea into schools from an early stage that setting up a business is a valid career option. Unless the enterprise offices are given the resources they need, they will not be able to foster this culture. I would like the SLA to provide more details on the student enterprise awards in terms of the models to be followed and the degree of consistency around the country. All of us have attended the Young Scientist exhibition at the RDS. Can we not do something similar through the LEO structure to have a national young enterprise exhibition?

One of the difficulties I have with the Bill is that we will get the usual spin from the Government about public sector reform. The county enterprise boards will be used as an example of the Government’s efforts to abolish quangos. It will be like the VECs where the Government
The difficulty here is that we are abolishing the traditional enterprise board structure. The Minister for the Environment, Community and Local Government, Deputy Hogan, is putting the Leader companies into the local authorities as well. We are pulling the structure of local enterprise support into the centre, that is, the local authorities, and we are pulling them away from the communities. We must look at the management of the LEO to ensure that, as well as local representatives, there is some sort of community involvement. If we hand it over to the executive of the local authority in tandem with the executive of Enterprise Ireland, which is where we are going, then we will get something that will miss the necessary local input and knowledge that the enterprise board structure, with its mentoring and management board structures, can bring to it. That is something the Minister should look at in the context of the amendments on Committee Stage.

As we speak, in a press conference somewhere in this complex, the Taoiseach and the Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, are out clapping themselves on back for the Action Plan for Jobs 2013. No doubt they will throw the Bill in there as an action completed. When one looks at the jobs action plan, there has been considerable change and we welcome the employment growth. However, one third of the actions last year involved commissioning reports and other studies, another 12% was stuff that the Department should be doing anyway, and another 11 of the actions were all FDI and related matters. What is going on in Government Buildings is the kind of thing that really frustrates the 400,000 people who are still looking for jobs. What we need to do with the model contained in the Bill is say to a cohort of that group that they can start a business if they have a business idea. For an LEO to be successful, it needs to be on top of and working in tandem with the Department of Social Protection. We need to be completely on top of the back-to-work and back-to-enterprise allowances and have local resources to roll that out. We need mentoring. Deputy Áine Collins put a good paper on mentoring together at the Joint Committee on Jobs, Enterprise and Innovation and it, and its recommendations, should be rolled out through the LEOs. There is some reference to it in the service level agreement, SLA, but we need to be more successful in that regard.

If this structure does not work, and we are taking a big gamble here with a structure that has served the country well since 1993 and has strong job creation credentials, then we will destroy the chance for many regions to take part in the economic recovery. That is why I welcome the detailed SLA. Unless the SLA is enforced and unless there are consequences if its targets are not being met, for both Enterprise Ireland and the local authorities, then it is not worth the paper it is written on.

I welcome the notion of the centre of excellence within the micro and small business division of the Department. That has to be robust, well staffed and well resourced. The Minister for Finance, Deputy Noonan, when he presented the budget in October last, announced that there would be a big initiative in 2014 about the range of supports that are available for business, putting them all in one area and supporting them with a big PR campaign, yet the Minister of State, Deputy Perry’s, budget for promotion in the Department was cut by 17%. On the one hand, there is this Government announcement that they will provide more information about the supports that are available and on the other, they cut the ability of the Department to get that information out there. There is no sense in us creating a structure like the LEOs with a strong SLA unless it is properly budgeted, unless they are properly run locally and unless there is proper local accountability to the communities that they serve. If we create another super quango within the local authority, we will choke the chance of economic recovery and entrepreneurial activity
and we will frighten those who have a business idea away from setting up a business and they will either continue on the live register or take a job if they are lucky enough to be able to get that chance. We cannot do that. No doubt while the Minister of State, Deputy Perry, is in the position, given his own track record, that will not happen, but he will not be there forever. We will not be in this House forever.

The structures that we put in place now, even though they will be reviewed every three years - that is another welcome idea - need to be robust enough to deliver to a community with high expectations. While they need to be robust, they need to be flexible in terms of where business is going and far more embracing of technology and business trends. For instance, for many local communities in which the LEOs will operate, the core business is retail, their core employer is retail and the core economic driver is retail. The county enterprise boards had a mixed relationship with the retail sector. Some supported the retail sector and some others did so as long as there was not displacement, but the LEOs, as the local enterprise driver, need to embrace retail from the start and be the agencies that drive employment in retail, push retail into new technologies and give it the support available because a local enterprise office has to respond to local enterprise conditions and, around the country, retail is where it is at for the business community. There needs to be a focus from the start within the LEO structure on retail.

A number of the local authorities, my own included, have put the units in place to take responsibility for local festivals, tourism projects and local investment, and the Minister of State made brief mention of it in his speech. That is all welcome. A strong unit, focused on enterprise but reaching out to all of the assets of any particular county, is something we all encourage and needs to get the support.

Every LEO around the country should also develop a relationship with the diaspora, with the Irish abroad who may want to come home and set up a business, the Irish who cannot come home who have set up their family lives across the world but who still have an Irish identity, and many Irish who moved abroad in various waves of emigration and are making major business decisions in companies across the world. Every local LEO should have a database of persons from within its area who are abroad, including where they are and what positions they hold, to use to promote the county and its services. They can use that range of people as part of their mentoring. One does not have to be physically in a place anymore for mentoring, and somebody who has been very successful in business can be made available to an LEO client through Skype or some sort of online presence. Many of those who have left this country want to be asked to serve in some way and the LEO structure offers those in business and technology a way to do that.

I continue to have reservations. I have huge respect and regard for Enterprise Ireland and I see what it does, but I am still not convinced - we fleshed this out with Enterprise Ireland and the Minister of State at the Joint Committee on Jobs, Enterprise and Innovation - that it understands local business that merely wants to get on with the job, that does not want to be a high potential start-up, HPSU, that does not want to take part in trade missions in whatever country is the latest growth market, but that wants the information it needs to provide a local service. God knows, to open a business in this country, the volume of information one needs to have is massive. That is one issue we need to look at and my party will be looking at in terms of its amendment.

Second, on the budget, it is not good enough to place an expectation on this structure, as we are in the LEOs, without properly resourcing it and giving it an adequate budget. In fairness,
€18 million, in the context of the Department’s budget, is not good enough and will not go anywhere near the kind of ambition Deputy Perry has, and we all share, for the LEO structure.

Third, the Minister of State should look again at some sort of formal involvement for local elected representatives in the running of this. We cannot keep handing power from local elected representatives who have a mandate to the full-time officials of each local authority - this Bill will do more of that - and reducing the role of the local elected representatives I mentioned in the service level agreement. Their role needs to be more robust than that. My party’s amendments will address that. I hope the Minister will be open to those amendments on Committee Stage.

This needs to roll quickly. This has been a long time in the pipeline. I am aware there have been all sorts of difficulties, but it needs to roll quickly and consistently. There is no sense in us, in Mayo, having a fantastic operation and our neighbouring counties having not as good an operation. Business is entitled to the same level of service from each of these LEOs across the country no matter what part they are in.

We all have huge ambitions for local enterprise. One of the lessons that has been learned from the past number of years is that we have got to go back and give more support to our local business people and those who want to set up businesses. Those ambitions are invested in this local enterprise model. They have big shoes to fill, given the success of county enterprise boards over the years. We all want them to succeed and the amendments we will table on Committee Stage are to assist them in that regard. I hope the Minister of State will be in a position to accept the amendments. Most importantly, however, let us get this model rolled out and into operation around the country.

Deputy Michael Colreavy: I am here on behalf of Deputy Jonathan O’Brien, who had to go away unexpectedly. I am somewhat at a disadvantage because I have not read the service level agreement. In fact, I did not know that one was issued yesterday. I cannot blame the Minister of State for that, however, because if I did not know I would be speaking on this Bill this morning, he cannot have known it either.

Deputy John Perry: I will supply a copy to the Deputy.

Deputy Michael Colreavy: I thank the Minister of State. Some of the matters I will address may be covered in that document and, if so, I ask the Minister of State to forgive me.

I have always looked on county enterprise boards as fulfilling three broad tasks. First, they worked in geographic areas and industries which, because of their scale, did not attract the attention of IDA Ireland. Second, they worked in smaller towns in rural areas without a population mass to attract the IDA’s attention. Third, they also worked to support social enterprise as well as the strictly for-profit enterprises that we all try to focus on in these straitened times. In considering any legislation to change the current system of operating county enterprise boards, we want to see that those three things are protected as a minimum and, if possible, improved upon.

There is nothing that operates so efficiently and effectively that it cannot be improved. Sinn Féin will not oppose this Bill today, but I am advised that we will table amendments to enhance the provision of the scheme and minimise the risk of unintended consequences. There can often be unintended consequences when one is introducing such legislation.
The Bill covers a hugely important area. Some 99% of enterprises are SMEs, and these account for over 70% of employment and are spread across all communities and regions. County enterprise boards have played a key role in developing and supporting this sector. They set out to provide a seamless and comprehensive set of supports from start-up and consolidation to growth and sometimes even the export of goods. That sort of seamless system of supports must, at a minimum, flow from this legislation. This concerns the integration of business supports and structures.

The beauty of county enterprise boards was that they were rooted in the community. Small business people did not feel they were walking into officialdom when they visited county enterprise board offices. The Minister of State and I both know the same people from the Sligo and Leitrim county enterprise boards. They had a different way of thinking from local authority officials, who had budgetary and many other responsibilities also. They had to stick within their budgets and ensure that essential services were provided in line with the county development plan. County enterprise board staff had a different framework and a different way of thinking. They were looking for opportunities and explored the potential of business ideas to provide local employment. They worked with people to that end, but it can often be difficult to measure the value of that work. County enterprise board staff could spend days working with somebody, yet not one job might emerge. Does that mean their time was wasted? I do not believe it does. It was a process that people had to go through to be satisfied as to whether there was an opportunity involved. I believe that was a good investment in time.

Having looked at the legislation, I have some concerns that that kind of free thinking - as opposed to the narrow view of some offices - might now change when this function goes to local authorities. I certainly share the concerns that have just been expressed by Deputy Calleary. There is a risk that we will de-democratise this whole process if we put it solely in the hands of officials. That has to change. If we are talking about empowering local government, it has to be about more than adding functions to local government, while keeping elected representatives at arm’s length from the operation of those functions. Empowering local government should mean empowering local communities. The only way we can do that is by giving greater, not less, power to those who are elected by such communities to represent their views.

Sinn Féin supports the real empowerment of local government. We also support the idea that local government should play a greater role in the economic development of local areas. That does make sense. A good example, from which we can learn, is to be found in Belfast. The Belfast authorities are actively promoting economic development for that city.

Part of the problem with the county enterprise scheme was that both local authority staff and county enterprise board officials would love to have been able to get out and do that promotional job of selling. However, they did not have the funds to do so. They were operating on a shoestring budget and I do not see that changing any time soon with this legislation unless adequate funding is provided.

The first aspect of county development boards was that they touched on businesses and local areas that did not enjoy the support of IDA Ireland. This was particularly the case with smaller towns and villages in rural areas. I am struggling to see how this legislative change will make it easier for somebody working in a small town or village to envisage a viable business that could be of benefit to such an area. I also struggle to see how the changes being mooted in this Bill will make it better or easier for entrepreneurs, or how it will provide additional supports to such people. Perhaps the Minister of State can help me understand that a bit better. Perhaps it is in
the service level agreement, which I have yet to read.

There should be a single point of contact in looking for support. Starting a business is a big risk and people are dealing with uncertainty. It is more difficult now because of difficult negotiations with banks. People need to focus on the business, not on form filling or bureaucracy. In providing support in working through regulations and identifying what is available, including hard and soft support, a single point of contact would be welcome in the new local enterprise office. We cannot have people wondering to whom they should go after this or the next person.

Many Government programmes such as the loan guarantee scheme, micro-enterprise loans and tax support are underperforming. The figures given by the Minister of State demonstrate this point. That is partly because many people do not know about these programmes, which is a damning indictment. It means our communication network and those who should be supporting and advising small and medium-sized enterprises are not getting the message across. We must be 100% certain the new arrangement will, at a minimum, ensure what is available is communicated to those who want to set up enterprises.

Something else should be done in conjunction with this measure. The Minister of State probably agrees with me, but, because of his role in government, he cannot say anything about it. There is a risk that good legislation which I hope this is what this will eventually be will be of little value unless we change the system of rates for businesses. This is particularly true of small and medium-sized enterprises. The current system of having a notional, rateable valuation and assessment of rates is regressive and unfair. It can only be fair if it is linked with the profit and income derived from the business. If there is one single thing that scares people and stops them from going into business and also forces businesses to close, it is the current regressive system of business rates. I asked the Minister of State to persuade the Government to examine the system of assessing and billing businesses for rates. It need apply only to small and medium-sized enterprises. If we had something like this, along with this legislation, it could make a huge difference. I am told his proposals were included in the programme for Government and that there was not much consultation with the smaller medium-sized enterprise sector or the existing county enterprise boards. County enterprise boards have contacted me and probably every other Deputy in the House and believe there was inadequate discussion, even though it had taken three years for the legislation to be tabled. The delay creates uncertainty and people do not know what is going to happen. Perhaps it has undermined confidence in the county enterprise board structure. Small and medium-sized enterprises need certainty and a stable environment. They need certainty that the support will be available when they need it and that it will be available in three or five years. I hope the protracted timescale in introducing legislation has not dented this certainty.

The county enterprise boards have built up knowledge, experience and expertise in local areas. We need to see something in the legislation or the guidelines associated with the legislation and the policies to ensure the experience, knowledge and way of thinking to which I referred translates to the new bodies. We will have questions on the transfer of assets and liabilities which may be covered in the service level agreement. Are physical assets being transferred to local government? Will liabilities be transferred to Enterprise Ireland or local government?

With regard to staffing, I am sure a commitment will be given that the terms and conditions of workers will be honoured. I am aware that there are long-term temporary contract workers involved and we seek to ensure their terms and conditions will be covered under such a guarantee.
Sinn Féin does not oppose the Bill, but it will table amendments. We see this as an opportunity and the key criterion is whether the outworking of the legislation will mean disadvantaged areas like the one I represent will be better or worse. Will assistance be provided for areas that do not have the benefit of IDA Ireland support? Will there be positive discrimination and extra support for particularly disadvantaged areas? Will there be the minimum of bureaucracy and form filling for those who have the idea and the commitment to set up an enterprise? Will it cover social enterprise, those enterprises that do not set out to make a profit but to make a better community? We will also look at the risks of moving responsibility for local development further from the people elected to represent the views of local communities.

Deputy Mick Wallace: I propose to share time with Deputies Richard Boyd Barrett and Catherine Murphy.

Examining the Forfás annual employment survey for 2012 it is difficult to discern what is being done by State bodies such as Enterprise Ireland, Shannon Development and Údarás na Gaeltachta to promote Irish enterprises and job creation. What makes it even more difficult is the footnote at the beginning of the survey that states, “The population of firms covered in the survey includes companies receiving assistance at any stage from these agencies or their predecessor agencies”. In effect, this renders the numbers in the survey inaccurate as a representation of the work being done by these State bodies.

The Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, has repeatedly boasted that in 2012 the 35 county and city enterprise boards created 4,858 full-time jobs, but he has failed to mention that, according to his figures, the net increase in the number of full-time jobs in firms engaged with the enterprise boards was only 256. According to him, speaking in the Dáil, in 2011 and 2012 his office spent over €1 billion and in that period companies which at some stage in their history had received assistance from IDA Ireland, Enterprise Ireland, Shannon Development and Údarás na Gaeltachta created a net increase of 9,754 full-time jobs. In the same period 35 county and city enterprise boards spent €30.2 million on current investment and €40.8 million on capital investment and there was a net increase of 456 jobs, approximately half of which were part-time. These figures seriously question the claims of the Department of Jobs, Enterprise and Innovation in the Action Plan for Jobs that the Government does not create jobs, as it is successful businesses and entrepreneurs that do so; it is obvious that the Government does not create jobs and that companies and entrepreneurs that have money thrown at them also seem to be struggling to do so. Every time IDA Ireland and Enterprise Ireland announce a new project, there is a barrage of statements and public relations reminders on what a good job they and, by association, the Government are doing to stimulate the economy. Two weeks ago the Minister quoted Central Statistics Office figures which indicated that the number in employment had increased by 58,000 in the year to the third quarter of 2013, with promises of another 48,000 jobs in 2014. How many have been created with the aid of State agencies is not clear, but if the 2012 figures are anything to go by, it is only a fraction. We are eagerly awaiting the 2013 Forfás employment survey.

What is excluded from the public relations effort is a discussion of the number of jobs the Government has destroyed. The position on the ground is quite stark and certainly does not provide scope for self-congratulation. In October Mr. Michael Taft collated data from both the ESRI and the Nevin Economic Research Institute, NERI, to give a rough estimate of the effects the previous two budgets had had on employment. Looking at the outcome of six fiscal adjustment measures, he estimated that budgets 2012 and 2013 combined had resulted in the destruction of between 43,000 and 57,000 jobs. He noted:
In other words, if there were no fiscal adjustments, there would be approximately 50,000 more people at work. And this does not count all tax measures (e.g. capital). That is a lot of jobs. Even if this crude estimate is off by 25%, this is huge.

I can provide a further insight into Mr. Taft’s research. It indicates that the Government had cut public investment by approximately €1 billion in the previous two budgets, with the NERI estimating a loss of between 18,000 and 19,000 jobs and the ESRI estimating a loss of between 9,000 and 10,000 jobs, although the ESRI admits the estimate in this category is an underestimate. The Government has raised approximately €1 billion in indirect taxes, mainly in VAT and excise duties, with NERI estimating a loss of jobs of between 9,000 and 10,000. The Government has cut social transfers by approximately €1.3 billion, according to the budget papers, but some have not been implemented. Therefore, we can estimate the cut at an even €1 billion, with the NERI estimating a loss of jobs of between 9,000 and 10,000. Since the Government has taken office, public sector numbers have fallen by 12,000. The ESRI estimates the number of job losses at 14,500. The level of non-wage consumption has remained stable in the past two years, but in 2014 the Government intends to cut it by approximately €300 million, with the NERI estimating the number of job losses at between 3,000 and 3,500. Property tax is being introduced in two phases, with the ESRI estimating the number of job losses, when property tax is implemented in full, at between 1,000 and 1,250. What is clear from these figures is that all of the fiscal policies pursued by the Government are hurting the people, but most damaging of all are the cuts in public investment, an issue I will address.

One question concerning the Government’s preoccupation with foreign direct investment must be discussed. The Minister and others in the little neoliberal cabal that speckles the Government benches relentlessly and unquestioningly repeat the free market dogma that foreign direct investment and private sector initiative will perform the magic in looking after the economy only if our legislation - now a product competing in an international market of norms - is tilted far enough in favour of big business that they might be attracted to use us for a while. In this arena where legal systems are for sale, social protections for workers, environmental protections, decent wages and anything resembling a fair tax system are about as attractive as syphilis. This dependence undermines our ability or inclination to regenerate our own industry with anything resembling imagination; the dependence becomes stronger, the majority of profits leave the country and the likes of PricewaterhouseCoopers advise on how to best avoid taxes to enable these companies to stay longer.

Dr. Proinnsias Breathnach has recently pointed out that while US firms invested $129.5 billion in Ireland in the five years to 2012 and there was a total foreign investment inflow into Ireland of nearly €30 billion in 2012 alone, the vast majority of this inflow goes nowhere near productive activity; roughly 60% goes into financial activity, mostly financial intermediations which “have little connection with the real world where people work in producing goods and services”. Given this situation, the question that arises is what the Government is building in Ireland, if not a tax break funnel for international capital, with little or no lasting benefit for the people. When these figures are reported in the press, minus any meaningful context, the Government gives itself a little pat on the back. Dr. Breathnach provides a little context when he questions how so much foreign direct investment in the country can be coupled with a drop in employment of 8% in foreign firms in the past five years. He states:

The main part of the answer lies in how statistics agencies measure foreign direct investment, FDI, flows. Thus, earnings of foreign companies that are reported in an economy but are not taken out are considered to be “reinvested earnings” (even though very little of
it may be directed to productive activity) and are counted as an inward investment flow. Last year, these earnings accounted for three quarters of the total recorded FDI inflow into Ireland. Most of these earnings actually originated abroad but were declared in Ireland for tax purposes.

There are other avenues that the Government could take to create jobs, one of which was touched on by Mr. Taft. He argues that the State must be willing to contemplate being an employer of last resort through local authorities or the provision of social employment. The idea behind the State being an employer of last resort is that in times of high unemployment and when the private markets cannot employ enough people who want to work, the State should employ people in the interim until the market recovers. This has been done many times and with great success. As Mr. Kieran Allen and Mr. Brian O’Boyle remind us in their recent book Austerity Ireland, de Valera and Fianna Fáil proclaimed that it was the duty of the State to guarantee a right to work. Roosevelt’s New Deal, in circumstances very similar to today’s, put hundreds of thousands of people to work in building the public infrastructure of the United States, while today China has avoided the worst of the recession partly because it has ignored the failed advice of the IMF, borrowed a lot of money and embarked on a massive public spending programme. In 2013 alone it increased spending on health care by 27%, on education by nearly 10%, on the environment by 19% and on culture, sports and media by 9.3%. Its unemployment rate now stands at around 4%; it seems, therefore, that government intervention works, not just when one wants to protect the bondholders of failed banks but also if one cares to protect people’s jobs and livelihoods and the institutions and services that increase standards of living across the board.

The Government might state it is not the role of the State to provide jobs, but it forgets to mention that that viewpoint is strongly ideological, namely, a neoliberal belief in the primacy of the demands and powers of the free market. History has proved and is proving that ideology to be socially bankrupt and corrupt in that it exclusively favours corporations, their shareholders and CEOs. It is also now clear to the people that any power that professes we need less government involvement in providing social protections such as employment, health care, education and transport-----

**Acting Chairman (Deputy Bernard J. Durkan):** I ask the Deputy to adjourn debate. He has reached the end of his time allocation.

Debate adjourned.

**Topical Issue Matters**

**Acting Chairman (Deputy Bernard J. Durkan):** 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 Thomas P. Broughan - the need to establish an independent commission of investigation into the Stardust tragedy of 1981;

(2) Deputy Éamon Ó Cuív - the need to take action on the damage caused by recent storms;
(3) Deputy Mattie McGrath - the need to extend the winter fuel allowance, given the extreme weather conditions;

(4) Deputy Martin Ferris - storm damage and coastal erosion in the south west;

(5) Deputy Aodhán Ó Riordáin - the purchase of the Killester Legion Hall;

(6) Deputy Sandra McLellan - the condition of the Moore Street monument;

(7) Deputy Peadar Tóibín - the need to include the proposed North-South 400 kV interconnector in the terms of reference of the recently announced commission;

(8) Deputy Pat Deering - the lack of health services in Carlow and, in particular, radiography and paediatric physiotherapy services;

(9) Deputy Marcella Corcoran Kennedy - the job losses in County Offaly as a result of a company not being awarded the contract by Irish Water;

(10) Deputy Michelle Mulherin - the need to ensure there is an appraisal of all homes and property throughout the country which have been damaged by floods and storms;

(11) Deputy Regina Doherty - that the single person child carer credit takes cognisance of those parents-families with two primary carers;

(12) Deputies John Lyons, Jerry Buttner, Michael Colreavy, Clare Daly, Luke ‘Ming’ Flanagan, Catherine Murphy and Mick Wallace - RTE’s reported compensation to the Iona Institute and others;

(13) Deputy Terence Flanagan - the need for a commission of investigation into the Stardust tragedy;

(14) Deputy Richard Boyd Barrett - the need to establish an independent commission of investigation into the Stardust tragedy; (15) Deputy Joe Higgins - the cost of repairs to water pipes following the installation of water meters;

(16) Deputy Emmet Stagg - the provision of an all Irish second level school in the north Kildare area;

(17) Deputy Shane Ross - the lack of premises for Gael-Choláiste an Phiarsaig, Dundrum, County Dublin;

(18) Deputy Derek Keating - the issue of neknomination;

(19) Deputy Jack Wall - the progress of the intergovernment agreement to allow the development of trade in green energy with Great Britain and-or the European mainland;

(20) Deputy Eamonn Maloney - the need to include a quota of jobs for the locally unemployed in all Government construction contracts;

and (21) Deputy Colm Keaveney - the position on an incident in University Hospital Galway.

The matters raised by the Deputies Pat Deering; Jack Wall; and John Lyons, Jerry Buttner, Michael Colreavy, Clare Daly, Luke ‘Ming’ Flanagan, Catherine Murphy and Mick Wallace
have been selected for discussion.

12 o'clock

Leaders’ Questions

Deputy Éamon Ó Cuív: This morning, INMO representative Mr. Derek Reilly claimed that Tallaght hospital is unsafe and dangerous. He said that while he had great confidence in the staff, he would not like to be admitted to the accident and emergency unit. He said the unit is unfit for purpose owing to overcrowding and that the staffing level is lower than in 2012. As the Tánaiste knows, that is the same year in which HIQA produced a report on the unnecessary death of a patient at the hospital. In that report, HIQA stated front-line staff concerns about staffing had to be addressed. The chief executive officer of the hospital has denied the claims but at the same time he has agreed that there were 36 patients on trolleys in the accident and emergency unit yesterday. This number has decreased to 20 now but that is by cancelling all elective and day-case surgeries.

What is happening now, not only in Tallaght hospital but also in many others, is that elective surgery and day care are being postponed further and further. Is the Government satisfied that patient safety is not being jeopardised in Tallaght hospital? Is the Tánaiste confident that the 2014 service plan is sufficient to meet the growing demands on the accident and emergency departments across the country?

The Tánaiste: I am informed that the chief executive officer of Tallaght hospital, Mr. David Slevin, has stated it is not the case that the health of patients is under threat at the hospital. I understand he has provided assurances that the situation is being managed and that the hospital is providing adequate patient care.

Tallaght hospital is experiencing an unprecedented surge in the number of people attending its emergency department. However, circumstances continue to improve. I am told there are currently 19 people in total on trolleys. The hospital is implementing a response plan to manage actively the current pressures with a focus on regular ward rounds to increase the number of patients discharged. Thirty day-case procedures have been cancelled for today and tomorrow, and the patients have been notified. A meeting is to take place with hospital management tomorrow to discuss staff concerns.

With regard to staffing issues, the hospital is actively seeking to fill a number of nursing vacancies, particularly three nursing posts in the emergency department. The Department of Health, the HSE special delivery unit and the INMO all agree that waiting on trolleys is an unacceptable feature of the health care system that must be addressed. However, to date this year nationally, we are 3.3% ahead of the figure for 2013 and 34% ahead of the baseline trolley count for 2011. These percentages are the equivalent of 225 and 3,365 fewer patients on trolleys, respectively.

Deputy Éamon Ó Cuív: The Tánaiste seems to be dismissing out of hand the concerns of front-line staff. It appears that the Government does not listen to the people at the coalface. We know this problem is not confined to Tallaght hospital because there is a crisis in the hospitals
Deputy Finian McGrath: Beaumont.

Deputy Mattie McGrath: Clonmel.

Deputy Éamon Ó Cuív: There are 286 patients on trolleys across the country. Despite all the massaging of the figures, the fact is that there was a 2% increase in the number of patients on trolleys last year. The way this problem is being solved by the HSE is that it is sending people messages asking them not to turn up for their elective or day surgery. Time and again, people are ringing every constituency office in the country saying they were called for elective surgery two, three or four times only to have it postponed continually. Is that a way to run the hospitals? What will be done to deal with this issue, as opposed to putting extra beds in the wards? At present, the HSE is just putting extra beds into the wards and stating the patients are not on trolleys anymore. That is not dealing with the issue. One cannot keep postponing elective surgery forever.

The Tánaiste: The Government is listening to staff at the front line and to patients and their families. The problem is not being ignored by the Government but addressed by it, the HSE and hospital management. I remind the Deputy that the number on trolleys is significantly lower than when Deputy Éamon Ó Cuív and his colleagues had responsibility for the health service. That said, the number is still not low enough. No patient should have to remain on a trolley overnight. The objective should be to reduce the waiting time.

A problem that has arisen in Tallaght hospital is that there is a spike in the number of people presenting at the accident and emergency department. This may be due to the time of year. The issue is being addressed on a ward-round basis. Some elective procedures are being cancelled to deal with the beds issue. Staff are being met and I understand hospital management is to meet tomorrow to discuss staff concerns. Issues arise over the number of nursing staff, in particular, in the emergency department at the hospital. Additional staff are being recruited and the issue is being addressed.

Deputy Sandra McLellan: People throughout the State have since Christmas been experiencing an unprecedented weather crisis. This has now become a state of emergency in many areas, including Cork, and it should be declared as such. Local communities and local authorities are not in a position to respond to the daily devastation and they require Government support urgently. This support has not been forthcoming. I find it incredible that, to date, the Minister for the Environment, Community and Local Government, Deputy Phil Hogan, has failed to appear before this House to inform Members of the action and interventions being taken by the Government to alleviate the terrible impact on families and communities. This is unacceptable. People are being bled by the same Minister, and the rest of the Government, for the local property tax and water charges. Is it too much to ask that the Government should take action and provide leadership to assist the people in this time of great need? In the immediate term, homeowners, businesses and service providers need urgent practical and financial aid from the Government beyond the terms of their private insurance, if they have any. This would alleviate the impact, including on cooking and washing, and on utilities and bedding that need to be replaced. The Government should quantify quickly the broader impact of the devastation on local communities and key infrastructure.

We heard yesterday from the Taoiseach how much has been invested in flood defences since
1996 and how much will be spent in the coming five years. I am aware that the EU floods directive compels the Government to publish what are termed detailed flood hazard and flood maps. There should be no delay in their publication to inform the Government on how best to allocate resources for the future. Can the Tánaiste tell the House whether he, in his capacity as Minister for Foreign Affairs and Trade, has been in direct contact with the European Commission and the Directorate-General for Regional and Urban Policy through the Government’s permanent representative in Brussels, Mr. Declan Kelleher, or by any other means to request financial aid through the EU solidarity fund?

We know the solidarity fund can be mobilised in the event of an extraordinary regional disaster such as that experienced across this State in recent weeks.

The Tánaiste: Our hearts go out to the people who have been affected by flooding over the past number of weeks. In some cases, people have been affected more than once. It is a devastating experience for people to have their homes flooded and I have enormous sympathy for their plight. I want to pay tribute to the workers and volunteers on the ground whose efforts in these awful weather conditions have helped to mitigate the impact of the flooding.

The Government has acted on this issue. We discussed it at Cabinet on Tuesday and are taking action on a number of fronts. Indeed, the Minister of State at the Department of Finance, Deputy Hayes, is in Cork today as part of that exercise. In the first instance, the Department of Social Protection assists households in the aftermath of emergency events such as flooding with urgent needs payments to cover clothing, food and emergency accommodation costs. The Department of Social Protection has funding available now in the form of a humanitarian assistance scheme to assist people whose homes were damaged by flooding and who are not in a position to meet the costs of essential needs. Local Department of Social Protection officials are engaging with the local authorities and a protocol has been established whereby they will carry out an assessment of the level of assistance required on a house-by-house basis.

The national co-ordination group on severe weather met on Tuesday, Wednesday and again this morning to review the situation to date and to consider the ongoing threats from storms, tidal conditions and river flooding. The Government decided on Tuesday to make an immediate initial allocation of €15 million for emergency purposes, pending a fuller assessment of the situation over the coming days and weeks. The Defence Forces and the Civil Defence have been deployed to give practical assistance as necessary.

A total of €320 million has been spent on flood defences up to 2013. Of this figure, €25 million relates to the minor flood works and coastal protection scheme introduced in 2009. An additional amount of approximately €50 million has been spent on other programmes, mainly the catchment flood risk assessment and management studies. A total of €45 million has been allocated to the OPW for flood risk management in 2014. This will enable construction to continue on four capital schemes, a further six projects to begin construction and 22 other projects to continue to be advanced towards implementation, subject to satisfactory progression through planning and design stages. The OPW will also continue to operate the minor flood works and coastal protection scheme, which provides funding to local authorities to allow them to carry out smaller-scale flood mitigation and coastal protection projects in their areas. Approximately €250 million is planned to be spent on flood defences over the next five years. Together with the local authorities, we will have to assess whether that will be sufficient to meet future needs.

The local authorities are also now required, as an integral part of their development planning
process, to consider climate adaptation measures, including the risk of flooding. At the request of the Government, the Department of the Environment, Community and Local Government is currently collating more detailed reports from local authorities on the clean-up response, repair and restoration costs. This report will be submitted to the Government next Tuesday and will include measures relating to the funding and co-ordination of clean-up, repair and remedial works.

Deputy Sandra McLellan: This is a state of emergency and must be declared as such. The Minister of State, Deputy Hayes will be in Cork and Kerry today and tomorrow. He will be visiting my home town of Youghal tomorrow morning and I intend to meet him there. Youghal has been flooded three times already this year. While we welcome his visit, we need more than just photo opportunities and words of comfort. We need to hear about the Government’s action plan and we need to see the immediate benefits of that plan.

Does the Tánaiste accept that the Government’s response to what is now an emergency has been at best lethargic, if not completely hands-off? It has taken the Minister for the Environment, Community and Local Government, Deputy Hogan, weeks to make a statement before the House and the lack of coherent leadership from him and other senior Ministers has been nothing short of appalling.

Have community welfare officers been instructed to give immediate financial aid to families whose belongings have been destroyed?

The Tánaiste: First, the Government has acted on this issue and has acted quickly. In a flood situation, the first thing people need is immediate assistance, which is being provided through the Department of Social Protection. A sum of €15 million was provided by the Government this week to address people’s immediate needs. Officials of the local authorities and the Department of Social Protection have been asked to go house to house and talk to people about their immediate needs. Some people cannot cook while others have had their living spaces destroyed and they need immediate help. The Department of Social Protection, together with the local authorities, have been asked to address that on an immediate basis, and that is why the €15 million was provided.

The second issue that must be addressed is the longer-term situation, particularly for homes that have been affected. In some cases, insurance issues may arise which will have to be addressed. The third issue is how to prevent the flooding from happening in the first place. That is where the investment in flood protection schemes comes into play. I have given details of the very significant sums of money that have been provided and the various schemes that are in preparation to prevent flooding or at least mitigate it.

Deputy McLellan also asked about an application for European Union assistance. There is a fund available but there is a very high threshold or bar for applications to it in terms of what will actually qualify for funding. That will form part of the consideration of the report that the Minister for the Environment, Community and Local Government will bring to Cabinet next week. At the moment he is getting an assessment from all of the local authorities of the scale and cost of the damage. That will form part of the report that the Government will consider on Tuesday.

Deputy Joan Collins: I wish to raise the issue of apprentices being forced to pay college fees. These fees can range from €833 to €1,433 per year, depending on the particular apprenticeship and how much time is required in college. The Minister for Education and Skills in-
sists on treating apprentices as students, but they are not students. They cannot avail of student grants or other financial assistance available to students. They are full-time workers and very low-paid workers at that. Apprentices in their first year will be paid the minimum wage and their pay does not rise much after that. They pay income tax, the universal social charge, PRSI and so forth. The apprentices of today are very different from apprentices in the past. The latter often left school at 15 or 16 and were finished their apprenticeships by the time they were 21 or 22. Many of today’s apprentices are young adults with family responsibilities. A total of 1,500 out of the 7,500 apprentices in Ireland are currently unemployed. They have been made redundant and may have to wait a number of years to gain employment and continue their apprenticeships.

In 2004 there was an attempt to make apprentices pay college fees but it was defeated by mass protests and the threat of a legal challenge in the High Court. This Government reintroduced college fees for apprentices in the October budget. The Technical, Electrical and Engineering Union, TEEU, and the Union of Students in Ireland, USI, have launched a campaign to axe the tax on learning. They have quite correctly pointed out that it makes a mockery of the promise to provide young people with a job, work experience, an apprenticeship or training under the youth guarantee. I am glad to see the Minister for Education and Skills is in the House today. To date, he has refused to meet the TEEU or the USI. Will the Tánaiste, as leader of the Labour Party, give an absolute commitment to arrange such a meeting and address the concerns of these young workers? I urge him to find the resources to reinstate the payment of college fees for this small group of workers. It was with FÁS but did not transfer over to SOLAS.

The Tánaiste: I understand the Minister for Education and Skills is planning to meet the USI about this issue. He is making arrangements for a date for the meeting. My understanding of the issue is that a student registration fee applies throughout the education system and what is applied in the case of apprentices is on a pro rata basis.

The Government is looking at the apprenticeship system very closely. The Minister for Education and Skills, Deputy Quinn, has received a report from a review carried out by Mr. Kevin Duffy on apprenticeships. The role of apprenticeships in the modern economy is part of what we need to do in order to get people back to work and ensure that the economy fully recovers. Apprenticeships are used in a much wider way in other countries than in this country. We have tended to have an apprenticeship system for a fairly limited range of trades. There is a much wider definition and concept of apprenticeships in other European countries. There are a number of things we can probably learn from that.

We must also ensure that employers are open to taking on apprentices. That must be part of the recovery story as we move forward. Even in good times we saw a reluctance on the part of some employers to take on apprentices. There are two parts to the apprenticeship process; there is the on-the-job training and experience that the apprentice gets, and there is also the formal education part, which is in a school or college. The issue to which Deputy Collins’s question relates in particular is the pro rata student registration charge which applies to the formal education element of an apprenticeship. In respect of that issue, the Minister for Education and Skills, Deputy Quinn, has indicated his willingness to meet the USI about it.

Deputy Joan Collins: I thank the Tánaiste, but he did not really answer my question. What I asked was for an immediate meeting with the TEEU and the USI. We spoke to both organisations yesterday afternoon and they had received no indication that a meeting would be organised. Perhaps the situation could be clarified as soon as possible.
The institutions were not even approached before the October budget to say that another possible way of funding students through their apprenticeships was being considered. According to the TEEU and the USI, the scheme was axed with no discussion or debate.

I could make a political play on the issue but I will not because it is too serious. A campaign is being set up that is also backed by the Labour Party candidate for the Leinster region in the European Parliament elections. The matter must be dealt with and resources found immediately. FÁS was supplying the money and SOLAS should supply it now. The matter should be sorted out and the scheme should be reinstated immediately.

The Tánaiste: One of the points we must bear in mind is that apprentices continue to be paid while they are in the education part of their apprenticeship.

Deputy Joan Collins: They are low-paid.

The Tánaiste: The estimate I have is that the levels of pay can range from €300 a week to €700 a week, depending on the particular apprenticeship. It is not unreasonable that where there is a student charge, those who are part of the education system and are getting paid would contribute to the student charge. In some cases, students who do not get paid have to contribute to the charge.

Deputy Collins’s question was whether the Minister for Education and Skills would meet with USI to discuss the issue.

Deputy Joan Collins: And whether he will provide resources.

The Tánaiste: I indicated that he is willing to do that and he intends to do that. The Minister for Education and Skills is examining the apprenticeship system in a much wider way because we can use apprenticeships in a much more creative and broader way in the economy to get people back into employment, to get appropriate training and to ensure that people are equipped for work. We have had a system of apprenticeship in this country that has been far too confined and limited and, in some cases, for periods that were too long. The issue is now being addressed by the Minister for Education and Skills.

Order of Business

The Tánaiste: It is proposed to take No. 12, motion re proposed approval by Dáil Éireann of a regulation of the European Parliament and of the Council amending Regulation (EC) No. 861/2007 establishing a European small claims procedure and Regulation (EC) No. 1896/2006 creating a European order for payment procedure (back from committee); No. 2 - County Enterprise Boards (Dissolution) Bill 2013 [Seanad] - Second Stage (resumed); and No. 4, Roads Bill 2014 - Order for Second Stage and Second Stage.

It is proposed, notwithstanding anything in Standing Orders, that No. 12 shall be decided without debate. Tomorrow’s fortnightly Friday business shall be No. 46, Down’s Syndrome (Equality of Access) Bill 2013 - Second Stage; and No. 47, Energy Regulation (Code of Practice) Bill 2013 - Second Stage.
An Ceann Comhairle: There is one proposal to be put to the House. Is the proposal for dealing with No. 12 agreed? Agreed.

Deputy Éamon Ó Cuív: I wish to raise two issues. The first is the leaks caused by Uisce Éireann when putting in water meters in Dublin city. I understand Dublin City Council has had to fork out €136,000 to repair leaks caused by Uisce Éireann. What is the policy or legislation that specifies that a city council would have to foot the bill for the bad work of a semi-state body?

The second question relates to the consumer protection and competition Bill. It was on the A list in the autumn of 2012. It was on the A list in the spring of 2013. It was on the A list in the summer of 2013. It was on the A list in the autumn of 2013. Now that the Government has amalgamated the spring and the summer, it is on the A list for the spring and summer session of 2014, which means the Government will be covered if it does not publish the Bill until the House returns in September.

The important element of the Bill is to introduce a statutory code of conduct for the grocery trade. Are powerful sectoral interests getting to the Government on this vital and important piece of legislation? Could the Tánaiste indicate when it is intended to publish the Bill and if it will happen this side of Easter?

The Tánaiste: Powerful sectoral interests do not get to this Government.

Deputy Timmy Dooley: Tánaiste.

Deputy Mattie McGrath: The Government was going to burn the bondholders.

Deputy Timmy Dooley: The Tánaiste should take a minute for himself.

Deputy Thomas P. Broughan: The Tánaiste is sitting beside them.

Deputy Mattie McGrath: The Government was going to burn the bondholders.

The Tánaiste: That was the previous Government.

Deputy Mattie McGrath: The Government will get burned.

Deputy Timmy Dooley: That is why the media mergers Bill and the legal services Bill are being rushed through the system. Well done.

An Ceann Comhairle: Settle down.

The Tánaiste: The consumer protection and competition Bill is at an advanced stage and is planned to be published this session.

Deputy Sandra McLellan: It is perhaps appropriate that the Government intends to amend the Red Cross Act 1938. The people of Cork will probably get a speedier response from the Red Cross than they are currently getting from the Government. Could the Tánaiste inform us of when we can expect the heads of the Red Cross (amendment) Bill?

The Tánaiste: The Red Cross (amendment) Bill, which is to repeal the Red Cross Act 1938 and put in place a new legal framework for the Red Cross society, is expected next year.

Deputy Seán Ó Fearghaile: The sale of loan books to unregulated third parties Bill is listed
as No. 93 on the C list and publication is expected in 2015. However, the Bill might have considerable significance for the approximately 20,000 customers of Irish Nationwide who find themselves in a predicament at present. Will the Government expedite this legislation? Will the Tánaiste agree with me that it could be of benefit to the customers of the financial institution to which I referred?

**The Tánaiste:** The sale of loan books to unregulated third parties Bill will allow regulated financial institutions to sell their loan books to unregulated financial institutions. Work is being done on this Bill and we expect it to be published next year.

**Deputy Timmy Dooley:** The Tánaiste will recall, both prior to the last general election and since, his promise about the development of a strategic investment bank to assist small and medium-sized enterprises which are finding it difficult to obtain credit and to assist them in participating in the real economy of the State. When will legislation to put that facility in place be brought forward?

**The Tánaiste:** The Bill to establish the strategic investment fund is to be published this session.

**Deputy Charles Flanagan:** Earlier in the week, the Cabinet discussed the matter of the European Court of Human Rights, ECHR, judgment in the case of Louise O’Keeffe. I understand the Tánaiste will be heading up the formulation and submission of a report to Europe in the form of a response which is incumbent on the Government. Will the Tánaiste ensure the House will have a full and detailed opportunity of buying into that report, as well as having a full debate with an opportunity for every party Member, and otherwise, to make a contribution?

**The Tánaiste:** The position is that the judgment of the ECHR is binding on the State. There is a procedure whereby the State is required to make a report to the Council of Europe within six months of the judgment, which will be 28 July at the latest. It is my responsibility as Minister for Foreign Affairs and Trade to make that report. I will be doing so in consultation with the line Department, the Department of Education and Skills. The Government, obviously, will have to give fuller consideration to this substantial judgment which runs to 82 pages. We will be getting advice from the Attorney General on this. It will be getting quite an amount of consideration between now and when the report has to be made.

**Deputy Michael P. Kitt:** The official languages (amendment) Bill is to give effect to certain recommendations arising from the review of the Official Languages Act 2003 and to give effect to the Government’s decision to merge the functions of the Language Commissioner with the Ombudsman’s office and to abolish the Placenames Commission. Beidh an coimisinéir, Seán Ó Cuirreáin, ag éirí as oifig ar an 3 Feabhra. An bhfuil an Rialtas chun coimisinéir nua a cheapadh roimh teacht isteach na reachtaíochta seo nó cad iad na pleannanna atá ann chun coimisinéir nua a chur in áit?

**The Tánaiste:** Ar dtús, tá súil agam go mbeidh an Bille seo os comhair na Dála an seisiiún seo, nó sin an t-amchlár atá againn. Níl aon eolas agam go mbeidh freagra diúthacrach faoi chuairt eile a dhéanann an Aire mar thosaigh sé a cheapadh roimh teacht isteach na reachtaíochta seo.

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**Deputy Thomas P. Broughan:** As the Tánaiste may know, Ms Antoinette Keegan of the Stardust Victims Group spent the past 24 hours in the security hut at the entrance to the Taoise-
ach’s Department. This was on foot of a commitment an Taoiseach gave Ms Keegan and her committee during the 2011 general election when he visited the Artane area with Deputy Terence Flanagan. He stated he would immediately hold a new commission of investigation under the 2004 commissions of investigation legislation into the Stardust tragedy in which 48 young people tragically lost their lives.

Friday week will be the 33rd anniversary of the tragedy, yet the commitment given has not been carried out. Deputies Terence Flanagan, Boyd Barrett and others asked the Ceann Comhairle for a debate on this matter in the House today. Will the Tánaiste meet Ms Keegan and her committee to set in train steps whereby we could finally have a commission of investigation into this tragedy? When Deputy Rabbitte was leader of the Labour Party, he investigated the matter with me. It is an horrendous legacy issue-----

An Ceann Comhairle: We cannot have a debate on it now.

Deputy Thomas P. Broughan: Will the Tánaiste meet Ms Keegan and her committee to set in train steps whereby we could finally have a commission of investigation into this tragedy and deal with this matter for once and for all?

The Tánaiste: The Stardust tragedy was truly shocking and horrific. It has remained with the victims and survivors ever since. I have the greatest of sympathy for what they have suffered. I did not have a request for a meeting but, if I get one, I will consider it.

Deputy Patrick Nulty: The Government has committed to a referendum on marriage equality. Yesterday, we learned the mayor of New York City, Bill de Blasio, will not take part in the city’s St. Patrick’s Day parade this year because of the organisers’ prohibition on pro-gay rights expression.

An Ceann Comhairle: We do not deal with parades on the Order of Business.

Deputy Patrick Nulty: In the context of the upcoming marriage referendum and in his role as Minister for Foreign Affairs and Trade, will the Tánaiste comment on the mayor’s decision? Will he be meeting with-----

An Ceann Comhairle: If he has, he will not be making it now on the Order of Business.

Deputy Patrick Nulty: -----the organisers of the parade to address their bigoted attitude to LGBT rights in a global city? For this referendum to have credibility, this needs to be addressed on our national holiday.

An Ceann Comhairle: Deputy, please resume your seat. It is not a matter for the Order of Business.

Deputy Patrick Nulty: It has to do with the upcoming referendum on marriage equality and I invite the Tánaiste to comment on it.

An Ceann Comhairle: No, he will not comment on this on the Order of Business. The Deputy should put down a parliamentary question or something of that nature and then it can be considered.

Deputy Mattie McGrath: Thousands of houses have been flooded recently. Thankfully, in my own town of Clonmel they were not. Will the promised insurance Bill deal with insurance
companies refusing to cover people who have been flooded? It should not all be about profit for the insurance companies. There must be some bit of humanity as well and I hope the Bill will deal with that. When will it be published?

Under the social welfare Bill, the fuel allowance should be extended this year. It is due to run out in one month’s time but it should be extended because of the hardship many families affected by flooding are facing.

An Ceann Comhairle: I note the Deputy had submitted that as a Topical Issue matter.

Deputy Mattie McGrath: I congratulate all involved in last week’s successful coursing festival in Clonmel and all who came to it. They were all very welcome.

An Ceann Comhairle: Thanks very much.

Deputy Mattie McGrath: We passed the greyhound welfare Act in 2011. Everything went off well at this festival and the protestors who came were also made welcome.

An Ceann Comhairle: I am delighted to hear that. I do not know what is in order. Maybe the Tánaiste would sort it out himself?

The Tánaiste: Thanks and I appreciate your confidence in me, a Cheann Comhairle. The only matter I thought was in order was the insurance Bill.

Deputy Mattie McGrath: What about the social welfare Bill and the fuel allowance?

The Tánaiste: Unfortunately, I do not have a date for the Bill’s publication for the Deputy but it is being worked on.

Deputy Aengus Ó Snodaigh: Will the Tánaiste carry back a message to the Minister responsible asking that he examine a scheme that will capture those people who cannot get insurance quotes due to flooding?

The maritime area and foreshore (amendment) Bill has been promised for this session. If flood prevention measures are required, they cannot be delayed by this legislation.

The Tánaiste: The heads of the Bill were approved in July and we expect to have it published this session.

Deputy James Bannon: Many inland fishermen and their families were deprived of a livelihood as a result of the closing of the eel fishing industry on the River Shannon and its tributaries. Putting it bluntly, this happened under Fianna Fáil and it was a scandal------

(Interruptions).

An Ceann Comhairle: Where are we going here?

Deputy Barry Cowen: The Deputy is running around with a bucket. I am surprised the troika is not thrown in as well.

Deputy Mattie McGrath: Why is he raising it?
Deputy James Bannon: -----the way we were treated compared to the rest of Europe.

An Ceann Comhairle: Where are we going here?

Deputy James Bannon: When will the inland fisheries (modernisation and consolidation) Bill be brought before the House? This legislation is of importance to midlands fishermen.

An Ceann Comhairle: I am sure it is.

Deputy Timmy Dooley: It is vital.

Deputy Paul Kehoe: Fianna Fáil never looked after the midlands.

Deputy Timmy Dooley: Times change for the Deputy.

The Tánaiste: On the inland fisheries (modernisation and consolidation) Bill, work is ongoing within the working group comprising the Department and Inland Fisheries Ireland to develop the heads of the Bill and publication is expected next year.

Deputy Barry Cowen: There will be a Minister of State in the area.

Deputy Bernard J. Durkan: I refer to the proposal to introduce the international recovery of child support (Hague Convention) Bill which has been promised and is very important. Its purpose is to regularise and ensure child support is accessible from the point of view of those travelling across Europe. I also inquire about the credit guarantee (amendment) Bill, the purpose of which is to amend the 2012 Act in line with requirements as discerned in the intervening period.

The Tánaiste: As regards the international recovery of child support (Hague Convention) Bill to implement the Hague Convention on the International Recovery of Child Support and Other Forms of Family Maintenance, it is not possible at this stage to indicate when the Bill will be published. As yet, there is no date for the publication of the credit guarantee (amendment) Bill.

Deputy Eamonn Maloney: The Ceann Comhairle will recall that last spring Members debated the Spent Convictions Bill in this Chamber. While I recognise there were some obstacles in the way of the Bill proceeding, I understand they have been overcome. Consequently, is there any prospect of having the Bill back in the House this session?

The Tánaiste: The Spent Convictions Bill is awaiting Report Stage in this House. Therefore, it is a matter for the Whips to schedule the Bill, obviously in consultation with the Minister and spokespersons.

Deputy Dominic Hannigan: Two weeks have passed since the centenary of the end of the Lock-out. Does the Tánaiste agree that it would be fitting to introduce legislation on collective bargaining rights? Will he indicate to Members when they can expect to see such legislation?

Deputy Timmy Dooley: There could be a lock-out for the Labour Party.

The Tánaiste: There is legislation on the A list that it is intended to publish this session.
Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): I move:

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


Question put and agreed to.

County Enterprise Boards (Dissolution) Bill 2013 [Seanad]: Second Stage (Resumed)

Deputy Richard Boyd Barrett: The Government is nothing if not consistent in its determination to apply neoliberal economic doctrine to dealing with the plight of the economy in its approach to trying to create jobs. That doctrine is pretty simple and has been applied consistently by the current Administration as it was by the previous Government, albeit with minor tinkering. However, the broad strokes of the policy the Government pursues to create jobs are the same as those of the last Government, namely, to keep taxes low on profits and wealth, to slash public expenditure on job creation, public services and infrastructure, to drive down pay and conditions for workers, to cut back on social welfare in a so-called effort to activate people for jobs and to gear all of the institutions of the State and the economy towards facilitating multinational corporations in the hope this will bring in significant amounts of foreign direct investment. I put it to the Minister of State, Deputy John Perry, that this policy has failed. I argue that it contributed significantly to the crash that has devastated the economy. Moreover, as the Government continues to apply it, it has failed to bring about any meaningful recovery in the economy. The Government trumpets with great fanfare every new announcement of jobs that results from foreign direct investment and everyone, of course, welcomes any job creation, particularly against a background of mass unemployment and emigration, as we have faced in recent years. However, even in the best of all possible scenarios, foreign direct investment cannot compensate for the damage to the domestic economy and the small to medium-sized enterprise, SME, sector, which the Government claims to champion. It cannot compensate for the damage the Government has done and is doing to the domestic economy and the aforementioned sector.

SMEs provide 70% of all jobs, while foreign direct investment accounts for 10%, which is high by international standards. The idea that gearing everything towards foreign direct in-
vestment and facilitating multinationals, that is, the big corporates and the major chains, will provide any sustainable, stable platform for economic recovery is ideological claptrap that has failed us disastrously. A change of strategy is needed to help the small to medium-sized enterprise sector and, frankly, decorative changes to the county enterprise board structure really will make little difference to the fundamental problems facing small and medium-sized enterprises and the domestic economy in general. An absolute reversal of the policies the Government has pursued is what is required. Wages must be raised to put more money back into people’s pockets in order that they can spend it in the small and medium-sized enterprises that are on their knees and which are going out of business daily. Moreover, something must be done about the rates that are crippling small and medium-sized enterprises. They are completely regressive, in that they hit disproportionately small and medium-sized enterprise but let off the big multinationals and corporates which can well afford them. With others, I have stated repeatedly that a progressive differential rates scheme must be put in place in Ireland in order that struggling small to medium-sized enterprises will have rates applied according to their profitability, turnover and ability to pay, rather than essentially having a flat rates scheme that has a disproportionate impact on small and medium-sized enterprises. On the issue of upward-only rent reviews and rents that are impossible to sustain for many small and medium-sized enterprises, I note the Government’s unwillingness to really tackle this issue. Presumably, this is because the banks and NAMA are now the big landlords and have no interest in reducing rents, while the Government is not willing to take them on on this issue.

These are the major issues and against that backdrop, I cannot discern how what is proposed in the Bill can make much difference. I accept that there is a certain rationale to having a co-ordination of local enterprise support at a national level. That is the single point on which I can discern a certain logic in the Government’s proposals in the Bill, whereby instead of having 32 separate or discrete county enterprise boards, some form of national co-ordination of the effort to support and help enterprise can be put in place. While I can see the logic of doing this, I fear that what really is running behind this measure is a corporatisation of local development and support structures. I fear this runs parallel to what this Government is doing in other areas of local development, particularly in the community development sector, where it is dismantling the localised, more democratic and community-based structures in favour of a corporatisation of support for enterprise and community development generally. Removing the democratic element, the input from local people, small business people and elected councillors, and moving it into the more centralised executives of Enterprise Ireland or the top management of the local authorities puts an even greater distance between people on the ground and the structures that are supposed to really engage with them at a local level and work out ideas, solutions and suggestions for promoting and supporting business at a local community level. By doing this the Government is putting them at a further remove.

That is not to say the county enterprise boards and all our local community structures have been absolutely wonderful and brilliant. Often they are labyrinthine and confusing, and I can see a case for streamlining them. However, I worry that this is a move in the wrong direction in that the streamlining may be just a corporatisation which will put things at an even greater distance from the people the Government is supposed to be supporting and helping. I worry, as I said at the beginning, that this is geared more towards facilitating the big corporations and multinationals rather than supporting small and medium enterprises. I have been very concerned about this and have received many representations about it. It is part of the same pattern as the Government’s plans to bring community development structures under the local authorities and outsource community development and local employment services by open ten-
Dáil Éireann

Deputy Catherine Murphy: We would all agree that the creation of jobs at every level needs to be assisted and facilitated. I have some concerns about the amalgamation or movement of the country enterprise boards into the local government structure. The micro sector is a key sector and has a positive knock-on effect when jobs are created. Because they are indigenous, most of the purchasing power will be retained in the economy. More than 90% of businesses in the EU, never mind in Ireland, fall into this category. There is no shortage of good ideas. Very often there is a difficulty in getting funding to get started and build those good ideas into small businesses. There was a debate between the Department of Jobs, Enterprise and Innovation and the Department of the Environment, Community and Local Government about where to position this sector.

It is essential that services are available reasonably locally and we accept that. It is not just a change of address because most of the county enterprise boards will have existed physically outside the county or city council offices. It is not just about saving on rent or overheads. The location is important because there is a cultural difference between the county enterprise boards and the local government system. I was on a county and a town council for a long time and my experience is that the local government system is very legalistic and internally focused. It is a process-driven set of services and I am concerned that the flexibility we need and that we saw in the county enterprise boards will be lost with the positioning within the local government system.

It will be an entity within that service - it is not just to be moulded in - but the executive levels will have a lot of dialogue with each other and management team meetings will most likely include the chief executive officer or director of services, who will have a responsibility here. We have constantly been told that the new reforms in local government are the most radical in over 100 years. I do not buy that mantra. I do not expect to see very radical changes and that is a missed opportunity. While this may not be a very radical departure, I have concerns that the culture will be one of the biggest problems.

There is a need to have a broader remit. For example, some county enterprise boards would have had money to spend and would not be able to spend it while others would have suffered because they had a queue of projects but lacked the money. Last year there was no money in Kildare from February until October, when some money was returned. There were very viable projects and it was a shame they did not get the go-ahead. The cost of creating jobs in the micro-enterprise sector is tiny compared with that of creating jobs further up the food chain in the multinational sector, where the jobs will tend to be much more high-tech. This sector has been incredibly important, with more than 30,000 jobs created since the county enterprise boards were founded in the early 1990s. The purchasing power has a very important knock-on effect.

The mentoring programme has been incredibly important. Very often people will say the mentoring programme has been at least as important as the grant they may get or the feasibility study that was supported. A range of people fall outside the category. They are the people I see...
on a reasonably regular basis - people who have been out of the workforce for a while, many of whom are women. People who have been self-employed do not get the kind of supports that would be available when starting a small business, such as the back-to-work allowance that would be paid through the social protection system, which should be a complement to the supports that come from the county enterprise boards.

I o’clock

A cross-departmental range of issues needs to be considered. Somebody who came to see me last week told me he had worked hard on his business plan and got all of the ducks in a row, but he cannot proceed because he does not have the funding to get it off the ground. Others will be able to point to people with the same difficulty. While initiatives like the seed capital fund can be helpful, some people are not able to leverage funds from them. These issues must be examined also.

Every business has concerns about the banking system. It remains incredibly difficult to get finance from the banks and a business must almost be a proven entity before a person will be allocated finance for it. The risks all seem to be on one side and receiving banking finance remains a problem. It is important to retain some connection between public representatives and sectors such as the micro-enterprise sector. Public representatives can bring something to the table. Much has been said about the reform of local government and providing councillors with more power. However, they are excluded from areas where they could offer assistance. This is one such area.

I have doubts that the Bill will add anything to the area of enterprise. I believe the proposal was born out of the quango cull. The greatest danger is one of culture and I do not believe the Bill will change the culture of the local government system in the foreseeable future. Change will be ongoing and the fact that the enterprise boards will now be part of the local government system is a risk for them. They have been reasonably successful and could have been even more successful had more funding been available. I do not suggest they should have lent irresponsibly, but that said, many potentially viable businesses have not got off the ground or have been limited in their effectiveness owing to the shortage of funding at that level. I hope this issue will be examined further. While there have been some improvements, a lot more needs to be done because some real opportunities are being wasted.

Deputy Damien English: I thank the Acting Chairman for giving me the opportunity to speak about this important Bill, the purpose of which is to reform the system of delivery of State supports to micro or small enterprises. We are all agreed that some reform is required in this area and various models for achieving this have been put forward in the past few years. While I was in opposition, this issue was discussed several times. We have had significant debate and discussion on the issue during the years, in committee and the Dáil and through the various business organisations. As a result, the solution in the Bill has been developed and it proposes to create a new enhanced support model to be delivered at local level through the local enterprise offices, LEOs.

The key issue for me is that we keep the term “local” as part of the model. The change being made involves dissolving the local enterprise boards which have been successful. Therefore, it is important that the new structure of the LEOs remain local. I firmly believe the local connection we had in the enterprise boards was a real driver in assisting business people and entrepreneurs and believe this can and will be extended under the new LEO structure. In my county of
Meath the expertise and local knowledge built up over many years can be transferred to the new arrangement. I have no doubt that the excellent team built up in County Meath, under the CEO, Mr. Hugh Reilly, which has delivered jobs for the county will continue to lead and deliver in the new structure which will receive clear guidance from Enterprise Ireland which will be involved in the setting up of the structure with the local authorities.

I served on the county enterprise board in Meath from 1999 to 2004 and saw at first hand the great work done at that level. I also saw at first hand how local businesses valued the board’s services and input, be it advice, mentoring, guidance, networking or financial assistance. The board gave many promoters of viable business plans the confidence to go and develop a business from what they were good at. Many entrepreneurs come up with great ideas and business plans, but they often lack the business know-how to make their business happen, drive it forward and create jobs. The role of the enterprise boards was to provide assistance and expertise. This work will continue through the new LEO structure, in conjunction with Enterprise Ireland and the county councils.

For many years many representative bodies of small firms have been calling for something such as a one-stop-shop to tackle the issue of providing business supports, whether it be mentoring, financial assistance or anything else. We now have this. I understand the change is difficult for many staff of the enterprise boards because they believe their boards were doing it right. I agree that they were, but the new structure is an opportunity to enhance and improve on what we had. I have heard concerns expressed that the pro-enterprise image of enterprise boards could be swallowed up by the county councils or be lost. However, I see this as an opportunity to make county councils pro-enterprise and drive the change needed.

Job creation and new business start-ups are everyone’s business, not just that of enterprise boards. They are the business of local authorities and every Department. The Government’s Action Plan for Jobs recognises this and that it is the business of every Department to help to create jobs and an environment in which jobs will be created. That is what is being done with the Bill. We are creating a new structure that will pull together Enterprise Ireland, the enterprise boards, local authorities and so on into a one-stop-shop that will serve people with ideas to create jobs, a new start-up or grow an existing business. All the advice, support, mentoring, etc. required will be available in this one-stop-shop. That is what is needed and I welcome it. I commend the Minister of State, Deputy John Perry, and his colleagues, the Minister of State, Deputy Sean Sherlock, and the Minister, Deputy Richard Bruton, for bringing forward the Bill and making this happen. I understand there are some issues to be ironed out, but everything is coming together.

I welcome the clarification provided regarding what will happen in April when the new offices are up and running. I also welcome the confirmation that there will be more funding, staff and services in each local authority for enterprise. Additional funding is being provided in 2014. I also welcome the new graduate recruitment programme which will help to supplement the already dedicated staff in enterprise boards and local authorities. The new system will combine new supports for businesses currently delivered by county enterprise boards with those being provided by local authorities in the first-stop-shop under the direction of Enterprise Ireland.

Some Deputies referred to the fact that some companies fell through the cracks. As I have seen, many companies did not fit the criteria to receive support from an enterprise board, but neither did they fit the criteria to receive support from Enterprise Ireland. For too long, thousands of companies have missed out on the guidance, advice and mentoring they need to help
to drive their businesses, which is a shame. Now, thanks to the Government, this problem is being fixed and these supports will be available to all those companies that need or want help to start or grow.

I welcome the new funding for young entrepreneurship to try to drive the concept of entrepreneurship among young people. It is also welcome that each LEO will be required to draw up a plan and set targets to boost local enterprise. For too long, we did not set targets, but now we will have them. I know some have concerns and doubts about this legislation, but I see the change being made as positive, one which will result in more start-ups and jobs in the future.

Deputy James Bannon: I welcome the opportunity to speak on the Bill, which we all hope will have positive implications for the establishment of small businesses throughout the country. The Bill is part of a series of measures to boost small and micro-businesses. It aims to create a centre of excellence within Enterprise Ireland and develop new thinking and best practice with regard to delivering supports for small and micro-businesses. It will establish local enterprise offices, LEOs, and create a first-stop shop in local authorities to support small and micro-business at local level within the framework of an integrated national network.

The Bill will combine enterprise support for business at local level with the business support service and expertise of local authorities to create the best possible local environment for small businesses. A strong network in support of entrepreneurship will be developed through working with local businesses and the wider community. All of these measures are designed to increase the record of job creation and innovation in the sector, which in turn will increase exports from micro and small businesses. The intention of the Government is to create a national connected approach with streamlined delivery. This should ensure more efficient use of resources, create a clearer picture of the support available and provide local firms with a more developed support system, including support at national level.

The Bill was outlined in the 2011 programme for Government, which stated that we would merge local enterprise and job support functions of local, regional and national agencies into a single business and enterprise unit in local authorities to allow streamlining of local job creation and support functions and increase shared knowledge, capability and resources while saving on administration costs. This is the intention of the approach the Government is taking.

The decision to dissolve the county enterprise boards and transfer their assets, liabilities and functions to Enterprise Ireland will ensure all small and micro-enterprises will be able to access the support they need to establish and expand their operations in the quickest and most effective way possible. This reform of our business support infrastructure is the first radical overhaul of how we deliver for our entrepreneurs since the county enterprise boards were established 20 years ago. The new model will see local authorities providing services on behalf of Enterprise Ireland through the LEOs, which will act as one-stop shops providing support and business development services to the highest possible standards tailored to our business leaders of the future. By making advice and guidance easily available we can help our entrepreneurs to chart the best way forward for real success down the line. The changes being made now will see local authorities, Enterprise Ireland and the LEOs all working together to provide a service which is second to none, has smaller businesses at the heart of everything it does and harnesses the know-how of all of the arms of the State business support infrastructure to maximum effect.

Small and micro-businesses are the key to local and community economic development and if properly supported will lead to increased commercial success in the midlands. More than
86,000 small businesses throughout the country provide employment for more than 700,000 workers and generate €90 billion in turnover annually. The owners of these businesses have demonstrated their willingness to invest in their communities, provide vital employment and generate enterprise. Government policy must reflect the success of such ventures by being supportive of new business ideas and ensuring the vital flow of lending is in place.

This brings me to an important issue which is dear to my heart. It is important that we get the banks lending again, as credit is the lifeblood of the market economy. In recent years businesses have been starved of credit facilities and many good businesses are still going to the wall as a result. Since taking over the wrecked affairs of the State in 2011 the Government has been doing its best to restore the flow of credit to the business sector through financial supports for businesses and the Action Plan for Jobs. We have continuously pointed the way forward by placing job protection and creation at the heart of our recovery plans. The financial supports for starting one’s own business, growing businesses and accessing credit are the main ingredients of our stimulus package to rebuild the economy.

If we are serious about supporting and developing small business enterprises we must examine over-regulation, red tape and the form-filling required for various Government bodies. This is expensive time-wasting and stifles small businesses. I plead with the Minister of State, Deputy Perry, to step up to the mark, which I have no doubt he will, demand a reduction in the administrative burden of regulation on small businesses, and let it be known that the new LEOs will have to deal with less bureaucracy and red tape from various Government agencies and that they will be allowed greater flexibility in awarding grants and determining their limits. I am disappointed with IDA Ireland because, based on responses to recent parliamentary questions, it does not visit every county or promote each county equally. I would like to see the Minister of State taking on this matter. I would not like to see the new LEOs being restricted in the type of business they can support.

When discussing small and medium enterprises, the agrifood and creative sectors are often overlooked. Local farmers, food processing industries and auxiliary services provide local jobs and play an important role in many rural communities throughout the country. Almost 200,000 people depend on this industry for employment. These are very important businesses and they struggle with the same obstacles as businesses in other sectors, such as high energy costs, high rates and excessive bureaucracy and red tape.

We need to move faster to overhaul the myriad of agencies involved in food safety inspection and regulation with a view to establishing a single food monitoring body. This would not only reduce red tape for small businesses but would also ensure efficiency and consistency in monitoring procedures. Such a single food monitoring body could also be responsible for the long-overdue food labelling legislation to support producers and processors who adhere to strict quality and safety regulations but struggle to compete with imports of questionable quality.

The Crafts Council of Ireland and Craft Northern Ireland designated 2011 as a year of craft. This gave us a great insight into the richness and vitality of the craft industry throughout the island of Ireland. Refined over centuries, the craft and creative industries sector is of immense importance to our economic activity as well as our culture. A significant number of new jobs could be created in this sector if proper initiatives and incentive schemes were put in place by the new LEOs.

What impact will the new LEOs have on community-owned enterprise centres and their
contribution in promoting enterprise and jobs? Many people in every county have innovative ideas that could be developed into craft enterprises. As a country, we have a distinctive and renowned heritage in craftsmanship, and Irish craft is precious and unique. As I have said many times previously, if investment was accelerated in this area, further development would directly contribute millions of euro to our export and domestic markets.

It is only by encouraging entrepreneurs to follow through on new business ideas and to take the necessary risks involved in setting up small or micro-businesses that the essential regeneration of our local economies will take place. While rationalisation of State agencies may be challenging, it is to be welcomed.

Deputy Seán Kyne: I am happy to speak on the County Enterprise Boards (Dissolution) Bill. Unfortunately, there is a cynical school of thought that regards any effort to reform this area as a cover for cost savings and reductions. While it is true that cost is always a factor, and no more so than when the State is recovering from a severe economic shock, the reforms being implemented in this Bill are about much more than cost savings. Efficiency and prudent use of public money is a factor, as it always should be in every State endeavour, but the County Enterprise Boards (Dissolution) Bill represents the fulfilment of a commitment in the programme for Government to build on the enhanced role of the local authorities and local public representatives in the local economy, as included in the Government’s Local Government Act.

The Putting People First document produced by the Department of the Environment, Community and Local Government promotes the fact that local government has a presence throughout every county and the need to harness that as a provider of services across as wide a spectrum as possible.

We appreciate the expertise and competence of staff within our local authority sector, especially those of us who served as local authority members. We appreciate also the positive role of devolving greater powers and decision-making to local elected representatives. Local areas and local services being dealt with in their own area provide a sense of ownership and local ambition, and the equality of the local service is enhanced by the awareness of local needs, priorities and circumstances on the part of the elected representatives and also the staff within the local authority sector who live in their own communities and know the issues at stake in terms of job creation.

Time is crucial for business, and it is also crucial for Government. We can see that time is of the essence in the successful passage of all the legislation the Government would like to pass. At a regional action plan for jobs meeting in Galway in 2013, time spent on navigating regulatory frameworks, sourcing information and trustworthy advice, and preparing documents for securing finance were cited by many of the local businesspeople present as being of concern. The more time businesspeople and entrepreneurs spent on albeit important administrative issues, the less time they had to develop and grow their businesses. That in turn has a direct impact on employment.

The creation of one point of contact as envisaged in the Bill will without doubt provide entrepreneurs and owners of existing local businesses with more time to focus on their own business.

Cuirim fáilte roimh na bearta a spreag na hoifigí fiontar áitiúla a bhi sna contaetha chun acmhainní a thabhairt le chéile agus comhoibriú ar bhonn réigiúnach chun seirbhísí agus tacaíocht
Deputy John Browne: I welcome the opportunity to speak to the Bill. My party would have significant reservations about the dissolution of the county enterprise boards and the subsuming of their role into local authorities. My colleague, Deputy Dara Calleary, will table amendments to the Bill on Committee Stage. That is not the best decision in the interest of counties because while many of the job announcements are welcome, they are not going to counties such as Wexford or the south east where we have a serious problem with the IDA and Enterprise Ireland in terms of their efforts to encourage companies to set up in the south east. We have had very few job announcements in recent years, particularly from the IDA, and as previous speakers pointed out, from replies to Dáil questions we found out there were only three visits in 2012 - we do not have the 2013 figures yet - by IDA-supported companies looking at the possibility of setting up in Wexford. Many of the larger companies appear to want to locate in Limerick, Dublin, Galway, Cork or other major areas of population, despite the fact that many counties now have good roads, water and sewerage infrastructures. They have all the requirements to meet the demands of a modern company coming to this country, but we believe we are not getting the fair share in that regard.

Enterprise Ireland is an excellent organisation with an outstanding track record in job creation, but it is strange that the county enterprise boards will now be part and parcel of Enterprise Ireland. Enterprise Ireland usually deals with companies that intend to export in the future.
whereas county enterprise boards deal more with people who have ideas to set up their own companies or business. That has been proven to be successful because the Minister stated that over 33,000 jobs across the country have been supported since 1993, as well as an average of 900 new projects per annum. In addition, there were 25,000 participants in training during that period.

County enterprise boards deal with a different clientele than those dealt with by Enterprise Ireland and the Minister should explain the reason they are now being dumped, so to speak, into Enterprise Ireland and then based in the local authorities. The local authorities are good at housing, planning, and the provision of recreational facilities but they have very little expertise in the area of supporting entrepreneurship or small companies seeking to set up from humble beginnings. Before the county enterprise boards were set up, Wexford County Council and other county councils across the country were trying to do that job but were not capable of doing it. It is a major mistake on the part of the Government. A strong case can be made for retaining and streamlining the existing structure to facilitate greater co-operation across county enterprise boards to share best practice while retaining the ability to respond to specific local needs. County enterprise boards and local development companies have been responding to local needs and demands for a number of years, while the bigger picture was dealt with by Enterprise Ireland or the IDA.

This Bill will not create a one-stop-shop because SOLAS, the education and training boards, social welfare offices, local development boards, Enterprise Ireland and the IDA will maintain their own offices. These bodies, which offer support for enterprises and job creation, will not be based in the county hall in Wexford or in other county councils. The Bill will not help to support local industry in any way.

Concerns have also been expressed about how the new structures will be funded. The local authorities will be expected to provide matching funding but they are not even in a position to cover day-to-day operations such as housing and road repairs. The Minister of State, Deputy Perry, might explain how they will find the money to offer co-funding under the new system. Is it the intention to make additional funds available to local authorities for this purpose?

A number of speakers referred to mentoring. Many successful local businesses have been mentored through county enterprise boards. The Wexford County Enterprise Board under Tom Banville has been very helpful to businesses by providing mentoring and back-up support both while they were being established and for a number of years after they got up and running. Where companies got into difficulties, they were also available to lend assistance. The county enterprise board model was established in 1993 in the context of a previous jobs crisis. Now that we are facing a similar situation it does not make sense to abolish them. Boards have assisted a wide range of new business activities across the country.

Enterprise Ireland and the IDA focus on activities related to research and development and scientific innovation. That is not the case for county enterprise boards, which give greater attention to what they call the highly effective creation of jobs at local level. I can identify a considerable number of individuals in County Wexford who have established businesses that employ between one and three people thanks to the support they received from the county enterprise board or Wexford Local Development. County enterprise boards have proven to be one of the most effective types of support for small businesses and it is not a good idea to merge them with Enterprise Ireland and the county council offices.
Enterprise board members were drawn from a variety of backgrounds, including trade unions, employer organisations, State agencies and local businesses. Members gave up their time on a voluntary basis and their understanding of local needs and demands meant they had a fair idea of whether a project was viable. How will this valuable expertise be made available under the new structure?

The fact that the SME sector remains in a critical condition has been overshadowed by the welcome success of the exporting multinational sector. The abolition of the county enterprise board will be a further setback to the SME sector. Instead of abolishing them, we should give them additional resources to support local enterprise development. The latest SME quality survey, which was published in December 2013, found that 50% of companies applying for funding in the preceding three months were refused credit by their banks. This Bill will not take us in the right direction and we will be putting forward amendments to it on Committee Stage.

**Deputy Joe O’Reilly:** I welcome the opportunity to speak on this reforming Bill, which allows the Government to honour commitments under the programme for Government and the Action Plan for Jobs by merging the employment support functions of local agencies and enterprise boards into a single entity or one-stop-shop. Counties Cavan and Monaghan do not benefit from foreign direct investment to the same extent as the eastern counties. The IDA facilitated three visits to County Cavan in 2012 and only two in 2013. Small businesses need strong support to compensate for this lack of foreign direct investment. I ask the Minister of State, Deputy Perry, to give an assurance that he will positively discriminate in favour of counties like Cavan and Monaghan by providing them with additional funding to correct the imbalance. While we will continue to demand our fair share of investment, we also want to support small businesses.

All of us recognise the vital role that the small business sector plays in our continued economic recovery. A consultation paper on the reform of the national micro and small business sector published by the Department of Jobs, Enterprise and Innovation found that over 90% of our enterprise base is made up of companies with fewer than ten employees and they contribute €10 billion to our Exchequer every year. In light of the contribution the sector makes to our economy, it is crucial that we support it. Small enterprises are the lifeblood of small towns and villages throughout this country.

Section 6 of the Bill deals with the transfer of functions from the existing county enterprise boards to Enterprise Ireland, which has an excellent record in promoting Irish business abroad and ensuring the continued growth of our export market. Enterprise Ireland chiefly deals with businesses which employ more than ten members of staff. It provides funding, expertise and support to these businesses. County enterprise boards were the traditional support system for micro-enterprises and local and indigenous traded services. Their track record is similarly impressive and it is important that we recognise the good work they have done over the last 20 years. On average, 1,000 micro-enterprise projects are given direct grant assistance, mentoring and support management every year. In my county, the Cavan Enterprise Board continues to perform its key role in stimulating economic activity and developing the indigenous enterprise potential of the county. Last year, they approved €419,500 in assistance to a range of 23 different enterprises, which have the potential to create 60 new direct jobs. They are active and are doing an extremely good job. As we bring in the new regime, I should acknowledge the good work done by Mr. Vincent Reynolds, Mr. Jim Fox and all the staff of the Cavan Enterprise Board. They will be available in the new LEO to work for the good of enterprise and to merge their capacities with those of the local authority.
In the area of food, for example, we ran the very successful food fair, with support from the enterprise board and masterminded by the local authority. We also have held the successful Fleadh Cheoil over three years in Cavan. These are indications of the good enterprise culture in Cavan County Council, we have a successful enterprise board and the merging of the two in no way scares me. I do not accept the thesis that local authorities are not capable of dealing with enterprise. We have an enterprise culture in our local authority and I think it can be increased under the legislation.

The reforms contained in section 6 intend to optimise job creation by increasing the efficiency of the county enterprise boards, incorporating them as one under the umbrella of Enterprise Ireland. It will bring micro-enterprise and small business supports together in one place, creating a new centre of excellence. This new centre will monitor, benchmark and standardise best practices nationwide. From speaking with local entrepreneurs and business owners in Cavan, I am aware that they need the one-stop shop so that they can access all of the services under one roof. This is part of the Action Plan for Jobs as well.

Each local enterprise organisation will develop a local plan and that will be important. The local authority will have to support this plan in a myriad of ways. It will increase the enterprise culture of the local authority and the existing expertise of the local enterprise boards, which is considerable and cannot be denigrated, will be brought into play there too.

I welcome the news that it will be up and running in April, with additional funding of €3.5 million and 170 dedicated staff, which as I stated, will incorporate existing staff from the enterprise boards.

The LEOs will be the single source of support. The new services will include the vital young entrepreneurship fund, the Microfinance Ireland fund, the credit guarantee, and access to services from Revenue and the Department Social Protection. These all will be under one roof in one centre, and, ultimately, with democratic control at local level.

In terms of the staffing of the new LEOs, the Minister has already stated that he will be maintaining the staff of the county enterprise board. The Minister of State, Deputy Perry might reiterate that in his reply because it is important there is reassurance in that regard. There will be a new graduate recruitment programme which is important to develop an enterprise culture.

We need more jobs in counties such as Cavan and Monaghan. We need local enterprise supported.

**Deputy Finian McGrath:** Deputy Joe O’Reilly should not forget the north side.

**Deputy Joe O’Reilly:** We need positive investment to compensate for the pull to the east and to population centres of inward investment. That is crucial.

Section 10 of the Bill will ensure that any loans or grants approved by existing county enterprise boards will be honoured by the new Enterprise Ireland umbrella. There need be no uncertainty or fear among existing clients of the enterprise boards. An implementation group comprising representatives of county enterprise boards, Enterprise Ireland and various Departments, founded in 2012, aims to tackle the administration side of the transfer and I am sure that the carryover of pre-approved grants will be dealt with here.

In a similar vein, I would argue that there is a need for a degree of flexibility in eligibility for
supports, including financial. In that context, it should have the least bureaucratic obstacles to those trying to start up a business. Everything should be put in plain language. There should be support to access funds and simplify matters. It should not be an obstacle race. On the contrary, we should revel in and be proud of those who want to create an enterprise. We should applaud such persons, affirm them and give them the wherewithal to get started, and not put obstacles, a multitude of inspections, bureaucracy and form-filling in their way. If necessary, information should be extracted, from those who might not always have the competencies, through conversation and written down for them. I do not see why a lack of capacity to fill forms should be an obstacle to an entrepreneur. If such flexibility and commonsense was not applied, I would be afraid of people losing out.

There is a problem in accessing finance. There is a need for the local enterprise offices to support clients in getting finance. I would be hopeful of success in that area.

The LEOs will deliver business information and advisory services, enterprise support services, entrepreneurship support services and local Enterprise development services. As is usual best practice, the Minister for Jobs, Enterprise and Innovation will still retain overall responsibility for national enterprise policy. That is how it should be. I am pleased with the local democratic input.

All the agencies of the county need to focus in on the LEOs to get a job creation culture going in every county. At present, there is nothing more important than the creation of jobs. We are doing well with the private sector creating 1,200 new jobs per week but we need to improve on this.

**Acting Chairman (Deputy Seán Kenny):** Deputy Joe O’Reilly needs to conclude.

**Deputy Joe O’Reilly:** All of our economic policies, all of our fiscal policies and all budgetary strategies are really predicated on the idea of creating jobs. Every job is vital, for the human being concerned and in terms of the social welfare budget.

I commend the legislation. It is an exciting new adventure. It will bring the best of what exists together with a democratically controlled expertise of the local authority. With proper funding, it can work well. I look forward to an assurance on funding.

**Acting Chairman (Deputy Seán Kenny):** Deputy Joe O’Reilly is over time.

**Deputy Joe O’Reilly:** Counties, such as Cavan and Monaghan, which do badly out of jobs announcements should do well out of this.

**Deputy Joe Carey:** I welcome the opportunity to speak in support of this important Bill. I commend the Minister of State, Deputy Perry, and the Minister, Deputy Richard Bruton, on bringing it before the House for debate today.

This Bill gives effect to the Government’s decision to reform the system for delivery of State supports to micro and small enterprises by dissolving the current county enterprise board structure and creating an enhanced national enterprise support model to be delivered by local authorities on behalf of Enterprise Ireland through local enterprise offices.

The new local enterprise office network will become the first port of call for new entrepreneurs and will also be charged with the responsibility of providing the necessary supports for existing micro and small business owners. Local enterprise offices will be supported by Enter-
prise Ireland’s micro enterprise and small business division. This type of approach will ensure there is a standard uniform progressive approach to supporting indigenous micro-enterprise and the small business sector which is vital, particularly as the economy emerges from the recession.

County and city enterprise boards have a strong track record in job supports over the past 20 years. I pay tribute to Mr. Eamonn Kelly, the CEO of the Clare Enterprise Board, and his staff, and those who worked previously in the county enterprise board, for their work. The new LEO structure will ensure that his good work will continue as the new system will build on the strengths of the county and city enterprise boards. The new local enterprise offices will deliver tailored supports to the highest standards, benchmarked by Enterprise Ireland through its centre of excellence and delivered in partnership with the local authorities through a service level agreement.

Enterprise Ireland’s microenterprise and small business division, having established a centre of excellence, will lead, develop and manage the enhanced support service that this Bill will deliver. The key functions of the centre of excellence will include promoting innovation in the approach to supporting start-up and entrepreneurship; developing the capability of the LEO network to set best-in-class standards; a lead role within Enterprise Ireland for the development and review of service level agreements and the promotion of high levels of performance and appropriate metrics; reviewing and benchmarking the services and supports available from each LEO to promote best practice; and developing a common approach to mentoring and mentor management.

The small business sector is the major employer in this country. We have more than 200,000 SMEs in Ireland employing more than 650,000 people. The move towards creating this new service will mean that national enterprise policy and local business supports will be brought together to strengthen the local business culture and environment. There is huge merit in combining the best of the county enterprise boards and local authorities within a framework set by the Minister for Jobs, Enterprise and Innovation and overseen by Enterprise Ireland.

The 31 local enterprise offices will have 171 dedicated staff who will be supported by additional local authority liaison personnel creating a local hub for enterprise support. This hub will deliver direct grants, mentoring and training. It will use local business expertise to evaluate projects and provide training and mentoring on starting a business, including drawing up a business plan or accessing commercial space, direct referral of clients to Enterprise Ireland, and direct referral to Microfinance Ireland and loan guarantee schemes, together with providing an enhanced advice and guidance service embracing all other local and national supports. Each LEO will develop a local plan which will provide a focus on boosting enterprise. This approach will energise the local enterprise environment, which will promote further start-ups and expansion of small business.

Like the previous speaker, Deputy Joe O’Reilly, I renew my call for a focus on job creation in the regions. It is commonplace to hear of job announcements in Dublin, Cork and Galway but not enough job announcements in counties such as Clare. This is progressive legislation which will combine all supports under one roof. Business people in County Clare and those contemplating setting up businesses want to present at a one-stop shop where all the supports will be explored with people who have the expertise. The Bill will bring that about and for that reason I support it. The Bill will lead to the creation of a first-stop shop that will offer the full range of State supports that are available to the micro and small business sector, which is such
an important sector in our country.

Deputy Finian McGrath: I thank the Ceann Comhairle for the opportunity to speak on the County Enterprise Boards (Dissolution) Bill. I welcome the debate and the chance to focus on jobs and an efficient use of our resources that can create more jobs in this country. Let there be no mistake: everyone’s focus in the House has got to be on creating employment in order to improve the economy. We need to get people into work and back to work and into the tax net to ensure we can have health and educational services for our people, which they deserve as a right. That is what the Bill should be about and, hopefully, it will be about that. That is the bottom line. Otherwise we come in here and are just talking hot air. We need reform, change and efficiency, but above all we need radical new ideas in regard to the creation of employment. The debate should also be about our 28% youth unemployment and the emerging gap between rich and poor in this country. It should also be about our young emigrants who are forced to travel abroad for work. We need to focus on this area and develop and assist our young people, many of whom are very talented. We need to stop putting barriers in the way of job creation, such as high rents, crazy commercial charges, and the rejection last night of the Companies (Amendment) Bill 2014 proposed by my colleague, Deputy Stephen S. Donnelly. These were ideas put forward to try to assist in the area of enterprise and job creation.

I mentioned earlier that youth unemployment was at 28% in this country. That is a figure we do not hear enough of when the unemployment figures are given. That means that 60,000 young people in Ireland are out of work and have no jobs. Across the European Union the number is 5.6 million. Many of these unemployed young people are very creative, many are highly educated and many are not, which is another issue on which we have to focus. In terms of education, we need to put the focus on assisting young people in staying in the system as long as possible to ensure they do not become long-term unemployed and end up on social welfare. This is an issue on which the Government must focus.

There are some good things happening in society. I welcome the fact that more than 90% of our enterprise base is made up of small and medium-sized companies which, between them, employ in the region of 622,000 people and contribute €10 billion to the Exchequer. Those are other figures we do not hear about. I pay tribute to those 622,000 people and their contribution to the Exchequer of €10 billion out of a turnover of €91 billion. We need to nurture and develop this sector. There should be none of the arrogance we see at times with the big boys coming in and creating 100, 200 or 300 jobs, when small companies, factories, businesses, restaurants or pubs are employing ten, 15 or 20 people. We should not look down our nose at those people because they contribute €10 billion to the Exchequer.

As my colleagues have done, I wish to focus on the need for investment, particularly on the north side of Dublin. There are many areas north of Dublin City that are black spots for unemployment. We need to focus resources on those areas. I have been a voluntary board member and director of the Northside Centre for the Unemployed in Coolock for the past 20 years. A good deal of our focus is on helping young unemployed and other unemployed people to get into the jobs market and assisting them in receiving education and developing their skills. This is something very positive. However, we need support for that work and we need to do it in a professional manner. I urge the Minister to keep a close eye on the need for developing small businesses on the north side of Dublin.

It is clear that the Bill will get rid of the county enterprise boards, which includes the city enterprise boards. These will be replaced by Enterprise Ireland, which has a good record. Lo-
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cal enterprise offices will be run by local authorities. I commend the staff at Enterprise Ireland for their magnificent work in developing new ideas and job creation. Enterprise Ireland already exists under the Industrial Development (Enterprise Ireland) Act 1998. The intent of the legislation is to create a first-stop shop for entrepreneurs at local level while providing a nationwide integrated system. Many people who have ideas need to be able to speak to somebody in the local area who will point them in the right direction. There is a need also for the broader picture, a national integrated system.

2 o’clock

The Bill is an attempt to reform and bring together the micro-enterprise and small business supports provided by county enterprise boards, Enterprise Ireland and local authorities. It also removes anomalies in the system and will ensure all micro and small businesses can access support.

It is important to establish a centre of excellence in Enterprise Ireland with responsibility for setting policy and monitoring and ensuring delivery of world-class support for micro and small businesses in a consistent manner nationwide. The centre of excellence is a positive idea. If people bring forward positive proposals that have anything to do with job creation, I will support them, regardless of party politics. As elements beyond the dissolution of county enterprise boards such as the centre of excellence and specific targets such as increasing the number of start-ups, the five-year survival rate among start-ups, the number of start-ups created by women, exports from micro and small business and job creation are not specifically mentioned, we need to focus on them. The focus must be on the creation of jobs and enterprise.

The proposal for change came from the McCarthy report, commonly known as an bord snip nua, in 2009. It recommended that the functions of enterprise boards be transferred completely to Enterprise Ireland. The local government efficiency review group’s report published in 2010 recommended that enterprise boards be merged with local authorities. I did not necessarily agree with everything proposed by Dr. Colm McCarthy and an bord snip nua, but in this case, I like the idea of transferring it completely to Enterprise Ireland because of its past record. It is important to develop ideas in an organisation such as Enterprise Ireland which is responsible for the development and growth of Irish enterprises in world markets through putting the focus on the promotion of business exports. Enterprise Ireland primarily deals with larger businesses than those dealt with by the county enterprise boards in that it provides funding and support for businesses with more than ten staff members.

Last week a young woman came into my clinic in Donnycarney. There are two people involved in a small business, with commercial rates last year of approximately €2,000. They have increased to €4,000 this year. What is going on in Dublin City Council? This is a woman who is providing a service and trying to ensure she stays within the system by paying VAT, PAYE and all other taxes. Within a couple of hundred metres, people are undercutting her prices by 30% or 40%. The business only has two people, but it could increase to five if she was given a chance. We should not always think big; we should also think small. There are 622,000 people employed in small businesses, which number could be developed further. We should not put barriers in front of small business; we should give them a break.

One of the concerns about the legislation is that the dissolution of the county enterprise boards will reduce the important connections in the local business community that were fostered by the independent nature of county enterprise boards and their membership. We must
examine this issue carefully. It is important, when introducing reform and changes, that we do not lose contact with the local base. I encourage the Minister of State to be on his guard and vigilant about this. We do not want to create a gap between the person on the ground and Enterprise Ireland; we do not want to lose touch.

Section 6 provides for the transfer of the existing functions of county enterprise boards to Enterprise Ireland, which I support. Section 8 provides for the transfer of rights and liabilities of a county enterprise board to Enterprise Ireland. It also provides that, in the event of an action to sue, recover or enforce, Enterprise Ireland may do so in its own name without the need to give notice of the transfer to the person whose right or liability is transferred. This is a sensible section.

Section 9 will allow any claim for loss or injury alleged to have been suffered during the performance of county enterprise board functions to now lie against Enterprise Ireland. Section 10 will ensure anything commenced by a county enterprise board such as loan agreements, grants and equity investments will not fall on the transfer to Enterprise Ireland of the functions, assets and liabilities of county enterprise boards.

Section 11 empowers the Minister to designate staff of a county enterprise board to Forfás, Enterprise Ireland or a local authority. This is important because we need to ensure we have quality personnel dealing with these issues on the front line to assist local enterprises.

As well as passing this important legislation, it is also important that when we examine the ethos, we focus on the priority of creating sustainable jobs in local communities. We must not forget the SME sector. In the coming weeks I would like the Government to have a vision of creating jobs. It must focus on a clear objective, from which we should not shy away. Notwithstanding the economic crisis and what is happening with the banks, we should try to return to full employment. I do not think the Government understands we must do something about the debt crisis which is choking society and the economy. I have major worries about it and urge the Minister for Finance to go back to the European Union and demand some sort of a deal, as otherwise we will not be able to move on. We must also tackle the problem of excessive household debt and mortgage arrears which is not be sustainable.

I referred to the education system and early school leavers. We must give opportunities to children to live and work at home and include those who must emigrate.

At all times, we must have well managed public finances. We must learn the lessons of the past because without the public finances being under effective control and a stable and effective banking system we will not be able to develop the economy.

We should never fail to use the resources we develop, through the people paying taxes, to protect the vulnerable in society. We cannot take our eye off the ball in tackling poverty and developing public services for citizens who deserve public services. That issue is linked with the Bill. The figure of €10 billion created by small businesses for the Exchequer could have a major impact.

We must be careful, in supporting the legislation, not to become dependent on foreign direct investment. The world is now a small place and a company which may have 300 workers in Cork, Galway or Dublin may relocate in the morning to India or another country where costs are low. The SME sector must be the engine room. In this regard, the Minister of State must not take his eye off the ball and be carried away with big photo calls and announcements of
300 new jobs in Cork. In two years time the company concerned may relocate to another part of the world.

There must be effective management of the public finances. I accept that process has started, but we must be sure that what happened in the past will not happen again.

We should go back to the notion of public service. There is nothing wrong with that.

The staff working in Enterprise Ireland, doing a great job in formulating ideas and assisting businesses, are indicative of good public service. There are many good public servants out there who do a fantastic job that should be recognised. That is true in the health and educational sectors, but with this legislation it relates to enterprise boards and similar places. They have people who are working hard to regenerate the economy and get people back to work.

I welcome this debate, which is very important. As well as talking about this legislation, we must be constantly formulating new ideas and examining the barriers for people on the ground who are trying to create an extra two or three jobs in a sector. I make no apologies for asking people to buy or shop local and do their best to get products in the local community. Give everybody a break. An extra €10 or €20 spent by everybody in a local shop, supermarket or business can create 10,000 jobs. That is a conservative figure but it could be achieved if everybody spent an extra €10 or €20 per week in local shops. The people with a few bob - those who are reasonably well off in society - should not be afraid to spend an extra few bob, as that will create an impact in the local economy. When that happens it helps businesses create an extra job or two, and it would be fantastic for enterprise and job creation if we could create a ripple effect from this around the country.

I encourage people to formulate new ideas and I urge the Government to listen to any ideas rather than blowing them out of the water. If somebody brings something sensible to the table the Government should consider it. It is important to say that.

An Leas-Cheann Comhairle: The next speaking slot is to be shared by Deputies Ann Phelan, Olivia Mitchell and Dara Murphy. Deputy Phelan has five minutes.

Deputy Ann Phelan: I thank the Leas-Cheann Comhairle for the opportunity to speak on this very important Bill. I tentatively welcome the Bill as, to use a cliché, the proof of the pudding will be in the eating. The Bill is designed to dissolve the existing county enterprise boards, of which there are 35 in all, and replace them with a combination of Enterprise Ireland and a network of local enterprise offices to be run by the local authorities. This makes sense, as a business or start-up company seeking advice from the enterprise boards needs information about planning, zoning or rates, and it is sensible to have these under one roof. The experience of enterprise boards has been mixed so the Minister should take this opportunity to improve the skills of all the people in the area and make them fit for purpose. I thank all the staff who do good work, but some need to brought into 2014.

This Bill will remove current anomalies in the system and ensure that all small and medium enterprises and micro-businesses can access State supports. It will establish a centre of excellence within Enterprise Ireland, with specific targets such as increasing the number and trying to ensure the survival of new start-up businesses, which are so important to this economy. It will also try to target the number of start-ups by women - there has been great work in Kilkenny in that regard - and job creation. The task facing Enterprise Ireland will be to draw these agencies under one roof, improve the good work done to date by the county enterprise board and
ensure that any start-up company will be looked after as it begins to grow by giving it the appropriate supports it needs to continue.

I draw the Minister’s attention to a potential pitfall that needs to be addressed. There are companies in receipt of grants from county enterprise boards, and ultimately the taxpayer, which are flouting some existing employment law. This must stop. All companies operating in the State today should be compliant with existing labour law and, specifically, there should be no State support for companies not in compliance with employment rights and labour law. For example, a certain company may be in receipt of grant aid while being in breach of employment legislation by exploiting the workforce. Not only should that company have its grant aid rescinded, but there should be a mechanism whereby the State can claw back the grant aid that was given in the first place. It is not right that we live in a country where it is possible for a company to attain Government-funded grants for the business - this is taxpayers’ money - and to use the funding in an environment where basic employment law is not being complied with.

There is an ongoing problem in our society, as some employers are not obliged to recognise unions. The right to free association and to join a union are enshrined in our Constitution as part of our fundamental rights, but employers are still not obligated to recognise such representation. Union recognition and company compliance with labour law further justifies the need for such laws to be tightened. Our employment laws exist to protect ordinary workers, and if a company refuses to pay appropriate overtime - for example, by giving proper time off or paying a minimum wage, to name just a few potential infringements - the taxpayer should not be asked to fund that business through grant aid. Such companies should have to repay any grant already paid. Avoiding exploitation such as this will be one of the challenges facing Enterprise Ireland, and I hope the Minister will take that on board.

I have fast-forwarded through some issues and I am assuming that everything will work according to plan. This is a small but important issue, as grant aid is not easily achieved, and if somebody is flouting the law, another party might put that funding to better use.

Deputy Olivia Mitchell: I welcome the opportunity to speak to the Bill and I welcome its import and intent. In the county enterprise board in Dún Laoghaire-Rathdown we have had a body of real excellence and I have had nothing but admiration for it through the years because of the work it has done. However, I confess that from the outset I did not support the setting up of those stand-alone boards, and even now I believe they should never have been set up. Supporting start-up companies and encouraging local entrepreneurship should always have been rooted in local authorities, which had all the local knowledge, existing administrative capacity and a vested interest, if we are honest, in having successful businesses and increasing local employment. They were the ideal natural home for a body to support local start-ups.

There is a certain criticism that with this move we will subject businesses to the dead hand of a bureaucratic State. That is an unfair assumption, and we never hear it aired with regard to the work of Enterprise Ireland. Local authorities have a vested interest in successful local business, not least in that they should be able to pay rates. Local authorities are not as secure as they would have been in the past from the cold hand of the market and knowing exactly what it is like to be in business.

There was some criticism of the move in the Seanad, where it was characterised as a sort of mad and mindless rush to abolish, merge or eliminate agencies, or quangos, as they are sometimes rather insultingly called. It is true that after the economic collapse people wanted to tear
down everything, which is perfectly understandable. Some bodies needed to be torn down, but less is not always best. I am not an absolutist when it comes to mergers, and sometimes there is a case to be made for keeping stand-alone organisations with a single focus. Nevertheless, when we consider the vast panoply of State bodies, there is the inevitable conclusion that not only could many be merged but that a significant number had outlived their usefulness and the purpose for which they were set up, so they needed to be axed immediately. One would wonder how it had escaped notice that a body’s *raison d’être* had entirely disappeared or that there was duplication, with other bodies absorbing functions or replacing them, and yet the bodies seemed to continue for years. This is needed. It is delivering on a Government commitment to rationalise State bodies. It is the second Bill to have been brought before the House recently to merge bodies. The Minister for Transport, Tourism and Sport, Deputy Leo Varadkar, is to introduce a roads Bill next week to merge the Railway Procurement Agency with the National Roads Authority. In neither case is it fair to say the legislation is merely delivering on an election promise for the sake of it. The Bill before us makes sense not only because it will result in a more cost-effective way of delivering services but also because it will deliver a more effective service. That is what matters and it is the only criterion. The network of stand-alone enterprise boards with no mechanism for co-operation, cost sharing or the sharing of expertise should not really have been set up and structured as it was. It is timely that we correct that mistake and necessary that we do so.

It is a little unfortunate that the Title of the Bill includes the word “dissolution”. That word has many negative connotations, although the legislation represents a really positive move, bringing about badly needed reform on which people should look positively.

Following the earlier Government decision to improve the system of delivering State supports to micro-businesses and small businesses, there were many possible approaches that could have been adopted. The method chosen – the retention and enhancement of local input, with a link to Enterprise Ireland – represents an inspired decision. The new system retains local knowledge but within the context of all the other local services provided by the local authority, while at the same time allowing businesses to gain access to the vast experience and expertise of Enterprise Ireland and other relevant bodies.

The local enterprise boards will provide a much enhanced and more comprehensive system of delivering State supports to micro and small businesses. They will provide access to all the State business supports and bodies, ranging from Microfinance Ireland to the Revenue Commissioners. That is a huge boon for small businesses which in the past would simply not have had the capacity alone or with the county enterprise boards even to become aware of State services, much less gain access to them. I am not saying this to criticise the city and county enterprise boards which have done excellent work for almost 20 years, but it is now time to change the structure of supports for small businesses which are the lifeblood of the economy, locally and nationally. They employ seven out of every ten people employed and are just too important not to be nurtured in the best possible way. They are too important not to be facilitated in gaining access to all of the State’s business services and for us not to recognise the importance of a really supportive entrepreneurial environment for indigenous businesses.

The local enterprise boards will be a first-stop shop for new business start-ups, but they will also provide ongoing development services which are often crucial for businesses if they are to survive the difficult early years. Later, the involvement of Enterprise Ireland will be vital in allowing small businesses to grow and move seamlessly towards direct Enterprise Ireland services.
It has been remarked a couple of times that if there has been a gap in State services, it has been in helping small, established businesses to make the leap to become medium-sized or bigger. The new framework should help to address that issue. During the years we have heard reports on the Minister going all around the world and the work of the IDA in attracting inward investment. They have been tremendously successful, but it is sometimes easy to forget that Irish firms employ more people in the United States than US companies that employ Irish people here. We sometimes undervalue our own businesses. Irish firms operating in the United States are big employers, but I wish to highlight the potential of indigenous Irish firms and show that when they survive the early years and make the leap to the next level, they can keep growing without boundaries and become major international companies.

I commend the work of the county enterprise board in Dún Laoghaire–Rathdown and hope the staff will find a happy home in the local authority setting. I hope the move will not result in the loss of any of the motivation and dedication displayed by the staff during the years. With most Members, I am mindful of the difficulties associated with change and the challenge it presents for everybody, but this very strategic change will prove worthwhile from all perspectives.

Others have touched on education which is important to the future of Irish business and employment. Those who will be doing the leaving certificate examination in June have been through an education system that is pretty much the same as it was when I went through it, which was not recently. We really need a strategic change in support for business, but we also need to start earlier in preparing people for what is a totally new business world. I have examined training in places such as Switzerland and Germany and noted that we really need to consider strategic change in Ireland. We should prepare young people for what is a totally different business world and jobs environment. I refer not so much to plumbers and electricians who featured in the past but to those who must work with all of the technological advances. People coming out of school today should be prepared for a totally different world, but that is an issue for another day. I hope this considerable, strategic move will support the changes we are debating.

**Deputy Dara Murphy**: Like my colleagues, I welcome the opportunity to speak about the Bill. Having listened to the debate for most of the day, I have noted it is not particularly contentious, although Members have different views, of course. I had the pleasure of serving on the Cork City Enterprise Board for five years. These years were some of the most difficult for business that the country has ever experienced. I was struck by the remarkable determination, enthusiasm, innovation and single-mindedness of people who set up their own businesses. I noted a good link between Enterprise Ireland and Cork City Enterprise Board, but it is better that there be a seamless link between them. Obviously, the enterprise boards were set up to deal with smaller businesses, but the ambition for most businesses is to grow. Many businesses that start up, particularly in the areas of technology, science or medical devices, are better to go directly to enterprise boards.

I agree with previous speakers on local authorities to a certain extent but believe it is important that the enterprise boards have a completely independent and separate identity within them. One of my criticisms of all State bodies, particularly local authorities, concerns the degree to which staff tend to be moved within departments. The expertise people such as David, Olive and Adrian developed in Cork was developed over time as they came to know different people, businesses and types of businesses. I caution local authorities in this regard because the experience is different from that of moving between the various directorships.
Europeans are extremely risk-averse. The Irish are among the most risk-averse in the world, despite the fact that two thirds of us are working in small businesses. In countries such as China and the United States a significantly higher proportion of the population aspire to be self-employed. We must look at the reasons for that mindset in Ireland, and an obvious one is the issue of reward. In recent years, mainly because of the high taxation rates in our country, the rewards that people can gain by being self-employed and working for 80 or 90 hours a week have diminished. That must be addressed. We must also get over our culture in Ireland in terms of how we treat people who fail. We need to adopt a more American attitude to business failure. In the US, it is widely believed that somebody who has failed is far less likely to fail again because he or she has learned from the experience of failure. That is particularly important now because we have large numbers of people who, through no fault of their own, have had to close their businesses. They now have poor credit ratings and so forth but they have the work ethic, the ingenuity and the determination to establish businesses and to employ people. There are 200,000 small businesses in this country and if every one of them was to hire one person we would reduce by half the number of people who are unemployed.

I welcome this Bill, which fulfils a commitment in the programme for Government. Greater efficiencies will be achieved by reducing the number of enterprise boards around the country and linking them in with local authorities. Cork city is twinned with Shanghai, a city with a population of 20 million. Representatives of the Shanghai enterprise board visited Cork and were very surprised - great as Cork is - that the county has several enterprise boards compared to the single board in their city. A commitment to greater efficiencies has been delivered but, more important, with the great work of Enterprise Ireland and the IDA, our top two semi-State organisations, we will continue to see our unemployment rates steadily drop.

**Deputy Denis Naughten:** I welcome the opportunity to speak on this Bill. Local businesses around the country are the backbone of the Irish economy. Approximately 80,000 such firms across the country employ an estimated 800,000 people and are putting billions of euro into the economy on an ongoing basis. Unless we can support indigenous, local companies, we will not create the numbers of jobs that we need to curb the haemorrhage of emigration and address our high levels of unemployment. As politicians, we will not create jobs. What we must do is try to make it easier for businesses to invest, hire staff and maintain existing jobs so that employers can look to the future with confidence. We must put the necessary support structures in place.

The biggest concern I have regarding the legislation before us has already been articulated by the Small Firms Association. In its submission to the Joint Oireachtas Committee on Jobs, Enterprise and Innovation, the association expressed concern about the poor relationship that exists between the small business community and local authorities. There is a strong perception among business people that the key objective of local authorities is to extract as much money as possible from employers. There is a fear that such an attitude to small businesses will filter through to the new enterprise board structures within local authorities. It is vitally important that the skills and expertise that have been built up over many years in the county enterprise boards are transferred into the local authorities. I must say that there are some very good local authority officials with a very progressive and open attitude who will do everything they can to support local businesses, particularly those that are starting up. However, there are also local authority officials who, rather than assisting people in setting up a new business will give them ten reasons that business will not get off the ground and will fail and why they should not go ahead with their project. That type of attitude must be eradicated, not just from local authorities but from the public sector in its entirety. We see that attitude in Government agencies and
Departments and it must be challenged. There is enormous potential to tap into the resource that exists within local authorities and the knowledge that has been built up over decades but local authorities must be given the tools to assist the small business sector. They must be given flexibility in terms of how they structure their commercial rates, for example, which they do not have at present.

I am seriously concerned about the fact that local authorities will be expected to put up matching funding. In my county and in every other county in the country, the local authority does not even have the funding to repair local authority housing, never mind coming up with matching funding. That must be clarified by the Minister. The Department has a number of commendable objectives, including increasing the number of start-up businesses and the number which survive beyond the first five years. It also aims to increase the numbers of women starting up their own businesses and to support micro-businesses in developing export trade and driving job creation. All of that is very well and good but it is not specifically mentioned in the legislation, which is a fundamental flaw. Furthermore, the fact that it is not mentioned in the legislation means that there is no accompanying penalty clause when local authorities fail to meet the aforementioned objectives. Where local authorities fail dismally to achieve particular targets, some type of penalty should be imposed.

When the Minister responds to the debate later, I hope he will clarify an issue that was raised by my colleague, Deputy Timmins, a number of weeks ago, namely the administration costs in some county enterprise boards. The administration costs of the county enterprise board in Offaly, for example, are only slightly less than the amount of grant aid paid out by the board, while in Leitrim last year, the administration costs were actually higher than the grant aid provided by the board. I know there is a problem for many of the weaker counties in terms of getting access to funds. Funding should be front-loaded for those counties that are not tapping into foreign direct investment. Counties like Roscommon and Leitrim, for example, do not have a strong population base and are less attractive for foreign direct investment and should, therefore, be getting the lion’s share of the funding for local micro-businesses in order to bring about some balance.

I hope the anomalies with regard to the ten employee threshold will be addressed. Furthermore, there are companies which are over that threshold and are involved in the food sector which Enterprise Ireland has shown very little interest in to date. I hope that the new attitude that is developing within the enterprise sector will include looking at job creation for its own sake and not just focusing on the issue of export-led growth. Import substitution and job creation must be given greater priority than has been the case heretofore.

I wish to put four proposals to the Minister of State, Deputy Perry, which can support and enhance opportunities for local businesses around the country. They are practical proposals, some of which are easier to implement than others. My first proposal is a simple one and I would ask the Minister of State to take ownership of it. I have already put it to the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, but he has washed his hands of it, as has his Department, which argued that it is a matter for the Department of Jobs, Enterprise and Innovation. I refer to the establishment of an internationally recognised quality mark for websites based in this jurisdiction. We have had reports during the week concerning the Road Safety Authority which revealed that a rogue website in the UK is charging consumers an extra €20 to book a driving test. In one particular instance 4,300 people paid an extra €20 to get a legitimate driving test in this jurisdiction.
A recent report by the European Consumer Centre network which examined fraud in cross-Border e-commerce found that fraud was involved in the sale of tickets, counterfeit products, alleged free trials, phishing, and the purchase of used cars online. A total of 30% of participants in the survey reported instances of consumers being caught out with free trials that were not free. A proliferation of counterfeit goods was reported by 41% of survey participants. A Maltese consumer who ordered tickets for a football match from an online trader paid €827 for the tickets only to be informed subsequently by the trader that the tickets were no longer available and that he would receive a refund but he has not received it to date.

Irish consumers spend approximately €4 billion a year on online shopping. Right across Europe and the world a huge amount of online trading is taking place but people are very concerned about putting their details online and whether they will get the goods for which they have paid. There is a niche in the sense that no internationally recognised quality mark exists for online trading. Ireland could take the lead in that regard and established a quality mark for businesses based in this jurisdiction. The information already exists but it is not easily accessible to consumers. If we put the facility in place for businesses based in this country it would create new jobs in IT and also distribution. Ireland could become for websites and online trading what Switzerland is to the banking sector. There is no reason not to do it. We have the data centres and some of the biggest online traders and online businesses such as Google are already in this country. We have the capability within the NSAI to do it. It has international contacts. Let us establish an internationally recognised quality mark in Ireland and use it as a driver to create new businesses, not only foreign direct investment but indigenous businesses that could sell on a worldwide basis.

Many speakers have referred to the need to incentivise and support local businesses. I urge the Minister of State, Deputy Perry, to do one thing only, namely, give them the same opportunities and supports we give to American multinationals coming into this country. They should have the exact same incentives on taxation, grant aid and supports. A level playing pitch should be provided. One job created by a local business in Sligo, Roscommon, Galway or Leitrim pays a greater dividend to the economy than a foreign direct investment job yet we have structured our incentives, supports and taxation the other way around which penalises indigenous business. Simplifying the taxation and PRSI system, in particular for start-up businesses, would encourage them to get off the ground in the first place.

I will provide an example of the crazy logic of our taxation system. It is another issue the Minister of State might examine. I refer to capital gains tax. We have a bizarre situation where we incentivise people with cash to put it into a property, sit on it for a number of years and then dispose of it when the market rises rather than incentivising someone to take the cash and put it into a new business that is trying to get off the ground or an existing business that wants to create jobs. People should be facilitated to invest in jobs and new enterprise. Does that not make far more sense in terms of long-term sustainability instead of trying to facilitate and encourage another property bubble in this country? The Minister of State should change the ingrained thinking within the Department of Finance that investment must be in bricks and mortar and nothing else. Let us start to create and support jobs. Let us also create a level playing pitch for indigenous local jobs as we do for foreign direct investment.

Another issue for the Minister of State to examine is energy. It is politically sensitive at the moment, in particular in our part of the country. The suggestion and proposal I have relates to an area just north of the border in Wales. The Minister of State, who is from Sligo, is not too far from the Border. Just north of the border in Wales there is a very successful carbon loan
scheme. Business loans of 0% are available to businesses wishing to invest in energy-efficient and low-carbon equipment. I am aware of a business in my constituency that could create ten new jobs tomorrow morning if such an incentive were available to it. The company knows it could save a significant amount of money and that it could be far more competitive by upgrading its energy equipment but it cannot get the capital from the bank at the moment. It must prove to the bank that it does not need the money before the bank will give it a loan. Small business after small business could give similar examples.

The size of the loan on offer north of the border in Wales and its repayment period is based on the projected carbon savings. The Government will be penalised for not making carbon reductions. It is a no-brainer from an economic point of view to give out such interest-free loans. Now that we have access to money from the Germans we should use it to introduce such incentives. A loan of £1,000 sterling is given for every 1.5 tonnes of carbon saved or taken out of the atmosphere on an annual basis. That would achieve two goals; first, it would reduce overall energy consumption and as a result reduce the overall impact of carbon on the environment. It would also reduce the potential penalties we would face in the future. Second, it would drive efficiencies for business and create jobs, such as in the example I provided where ten jobs could be created by a company that currently employs 60 people. The company could employ 70 people tomorrow morning if it had access to such an incentive.

On energy, and given where both the Minister of State and I come from, he is aware that a very detailed proposal has been put forward by the Western Development Commission to bring gas to the west and north west. It would save local businesses in the area €16.5 million every year. If we had access to gas it would save householders approximately €485 a year in energy costs. Currently, businesses in Carrick-on-Shannon lose approximately €7 million per annum because they do not have access to gas. Slightly less than that amount is being lost in Sligo town. Boyle is losing approximately €180,000. Roscommon is losing approximately €1 million. I could go on to specify the amounts lost to other towns in the region. Significant savings could be made by indigenous businesses if they could get access to cheap energy through the gas network.

We are disposing of Bord Gáis by means of selling it off. I suggested that a small proportion of the money raised through the sale be used as seed capital to extend the gas network to the region. Not only would it dramatically improve the efficiency of businesses in our region, leaving them on a competitive par with businesses in other parts of the country, it would sustain existing jobs and encourage additional job creation. It would also take away some of the pressure in terms of the need for increased electricity energy generation. If combined heat and power plants were put up in many of these businesses, it would take pressure off the existing electricity network and reduce the need to construct additional pylons across the country. I hope the Minister for Communications, Energy and Natural Resources will look into this particular issue again.

My colleague in the Seanad, Senator Fidelma Healy Eames, raised an issue some time ago regarding an employer in the manufacturing sector trying to employ a general operative at 1.5 times the minimum wage but not being able to get anyone to fill that post because of the barriers put up by the social welfare system. Recently, I had an instance of a woman with family illnesses who had a medical card but, because she got an extra hour working in Tesco, lost the card. There was no way around this with the way the medical card eligibility system is structured. The only way to hold on to her medical card was to get her employer to reduce her hours. Instead of encouraging people to take up employment or increase their hours or move
into full-time employment, as was this woman’s wish, the system is built against their doing so.

There are many other anomalies that Members have highlighted which undermine the medical card system. These barriers being created to people extending their hours of employment or even taking up full-time employment need to be addressed. In doing so we would be supporting many local businesses across the country and in Ireland as a whole.

An Leas-Cheann Comhairle: I call Deputy Lawlor, who is sharing time with Deputies Áine Collins and John Paul Phelan.

Deputy Anthony Lawlor: Having served for several years on Kildare’s county enterprise board, it is with a tinge of sadness that I see their dismantlement. Coming from a business background, it was great to work with those on the board, who had a get-up-and-go approach. Deputy Naughten referred to the administration costs of some boards, but there was a small staff on the Kildare board which used its funding well and purposefully, as can be seen in the number of jobs it generated in Kildare. My problem was with those county boards which did not use up their full allocation from Enterprise Ireland. Perhaps Deputy Naughten was referring to those counties which would have had higher administration costs. The three remaining staff on the enterprise board in Kildare will move to the newly formed LEO. I wish them all the best. Their initiative and drive was the reason so many jobs were created in Kildare through the enterprise board.

I often questioned my role as a board member. While sometimes I felt the board was just rubber-stamping projects, because there were representatives from the community, Enterprise Ireland, the agricultural sector and local businesses, inputs came from a good cross-section of the county’s economy. I hope this kind of make-up will not be lost with the introduction of the enterprise offices. While I am saddened to see the county enterprise boards go, I welcome the new LEOs. One of our objectives when we set out in government was to use funding more smartly. Bringing the enterprise offices under the remit of the county councils gives a better and clearer objective as well as ensuring better value for money. The large administration costs associated with certain counties, which Deputy Naughten highlighted, will now be absorbed and funding will be utilised better within the county council system.

I am concerned, however, about the ability of various councils to drive enterprise, a point also raised by Deputy Naughten. In Kildare, we are fortunate to have personnel with drive and initiative on the enterprise board who will transfer to the LEOs. One example of this drive was the way they went about the youth and student enterprise awards. Through it, there was a focus on getting young people involved in enterprise at an early age. I am glad the youth entrepreneur scheme will be part of the LEOs, with ring-fenced funding made available for entrepreneurs under 25. I thank Celbridge Youth Group for highlighting this to me two years ago. In turn, I made a presentation to the Minister on this matter to have it included in the enterprise office set-up.

Will the Minister consider ring-fencing elements of the microenterprise loan fund scheme for young entrepreneurs? As I have argued before, a young entrepreneur might not have a credit rating or line, making it difficult for him or her to get funding from the banks. Many of these young entrepreneurs have good ideas that some of us who are older have had beaten out of us because of the amount of red tape associated with establishing one’s business. While it is welcome that multinationals are locating in Ireland regularly, getting back on our feet will also be down to indigenous small and medium-sized businesses and young entrepreneurs who are full
of enthusiasm. Accordingly, we should help them as much as we possibly can.

I always saw the county enterprise boards as the first stop for someone starting a business and a real source of funding on the ground. We must examine this in a broader sense and determine how much more we could use funding at enterprise level. Deputy Áine Collins is full of enthusiasm for mentoring start-up enterprises and the need for more of it. I am on for getting as many young people as possible to start businesses. I know matching funding is required from local authorities. If start-up indigenous companies and enterprises are the country’s future, it is through the enterprise board that they will make their first contact with funding.

3 o’clock

It will be their first port of call and they should be helped as much as possible. I again appeal to the Minister of State on the increase of funding in this regard.

Finally, as I stated earlier, I wholeheartedly welcome the much smarter use of available funds, as well as the pulling together under a single umbrella of all start-ups, and those which are going beyond the start-up phase, in order that they can get assistance wherever possible within the local authorities. I appeal to the local authorities to embrace this development and not to be fearful of it because this is a real opportunity for them to become actively involved in their local business communities. Local authorities have stood back from so doing for a number of years as they focused solely on garnering money from this group of entrepreneurs and business people. It is vitally important that local authorities embrace this opportunity and take it on board with the same enthusiasm some of the staff members of the enterprise boards who are being transferred to the LEOs have had for a number of years. I thank the Minister of State for bringing forward this proposal. I again thank the Minister, Deputy Bruton, for taking on board youth entrepreneurship, which is an excellent idea. I will be supporting this Bill.

Deputy Áine Collins: I also welcome the opportunity to speak on this important Bill, the Title of which is misleading to a certain extent. The real intention and purpose of the Bill is to allow for reform of the system of supports to microenterprise and to focus on the small to medium-sized enterprise, SME, sector, thereby driving growth and encouraging a culture of entrepreneurship as a career. As the Minister has noted, the indigenous microenterprise and small business sectors are the lifeblood of the economy. Reform of supports for this sector is central to economic recovery, job creation and the future development of the economy. The new structures are designed to make the operating environment more coherent, responsive and conducive to entrepreneurship at local level.

The Bill is part of a process to bring together the microenterprise and small business supports currently provided by county enterprise boards, CEBs, Enterprise Ireland and the local authorities into one central location. At present, there is an overlap between the CEBs and business supports provided by local authorities in their economic development units. Not all local authorities had business development strategic policy committees, SPCs, that were effective. Some local authorities, such as Cork County Council, already have put in place a strong economic development structure in the form of an SPC. In County Cork, this committee has a budget of €1 million a year and the SPC works very closely with the enterprise boards and the Leader groups to try to ensure that worthwhile projects get off the ground. However, until now, Enterprise Ireland was not part of this process.

Many small businesses and start-ups found the sourcing of supports confusing and difficult.
Local authorities, because of their many functions that affect or encourage small businesses, should be at the centre of any one-stop-shop concept. Issues such as land use, zoning, road infrastructure and environmental regulations all are considerations that must be taken into account by expanding existing businesses or start-ups. The work of enterprise boards is to be subsumed into the economic development section of local authorities. While Enterprise Ireland would not normally supply direct support to small businesses, the new structures envisage the creation of a specialised section within Enterprise Ireland to develop best practice with regard to supports for small businesses and microenterprises, thereby ensuring that all staff working in the new enterprise offices will be trained to the same level as the staff in Enterprise Ireland. It is intended to establish LEOs and to create a first-stop shop within local authorities and this will be achieved when Enterprise Ireland enters a service level agreement with each local authority. I welcome this morning’s announcement that they will be up and running by April 2014, which is fantastic. This connectivity among all agencies also will allow businesses that have clear high-growth potential to be fast-tracked to the next level of support from Enterprise Ireland or other State agencies.

At the other end of the spectrum, it remains to be seen how the business development section of the old Leader groups will fit into the process. I appreciate that as the Leader groups will form part of the new local development companies, LDCs, they will be integrated into the system. At present, they are part of the economic development SPC. However, under the current system, local development companies were not as restricted in grant-aiding businesses in their specific areas as were the enterprise boards or the economic development sections of local authorities. Local development companies only needed to be concerned with displacement in their own or adjoining areas and were less restricted in the type of business they could support. This issue is important for peripheral areas and areas under development, where services for the public might not otherwise be available. This issue must be considered and recognition must be given to the fact that national or county guidelines will not provide basic services or jobs in these areas unless special provision is made. I refer, for example, to funding for cafes, restaurants and perhaps some retail in some of the more regional rural areas.

Mentoring is a crucial part of the State supports offered and in many areas it is more important or at least as important to a developing business as is financial support. Together with the Joint Committee on Jobs, Enterprise and Innovation, I have been working on this issue for almost two years. We commissioned a report and conducted some research, which led to the report being taken on by Forfás, which carried out an in-depth study. Some key recommendations have arisen therefrom, which I am sure the Minister will be glad to tell me will comprise part of the action plan for jobs that will be announced next April. I would welcome that.

This is an important Bill and I am glad its passage finally is under way. I acknowledge that it has been a longer journey than expected, but it demonstrates the Government’s commitment to the SME sector, to entrepreneurship and to supporting all the regions, not just the urban regions, for which the Government sometimes gets criticised. However, it is important to generate sustainable jobs and to begin to examine different models of achieving that. In this context, consideration also must be given to co-ops and social enterprise, which will be fantastic. While I appreciate that the day-to-day workings of the LEOs might not have been worked out fully yet, the staff in these new offices also should visit the regions to meet people. At present, they usually work behind walls and one must telephone them, after which they might come out. However, were it to be made known that they would be present in a region on a particular day each month, the staff would be on the ground more often and would gain knowledge in so doing.
Deputy John Paul Phelan: I welcome the opportunity to voice my support for the County Enterprise Boards (Dissolution Bill) 2013, which, as Deputy Áine Collins has noted, probably is awkwardly named, to say the least. The Bill is about more than simply dissolving the existing enterprise boards, as it also provides for the establishment of a new system for local enterprise as an integrated part of local government. Unlike many of the previous speakers, I have never been a member of my local enterprise board in County Kilkenny. I commend the Government on introducing the legislation. While it forms part of the programme for Government, it also formed part of the proposals made in advance of the drawing up of the programme for Government at the time of the last election.

For many years, Ireland has not had a properly functioning local government system. One major reason for this is that certain powers which typically rest with local authorities and local government in many other parts of Europe and elsewhere in the world have traditionally not formed part of the role of local government here. The key aspect of this legislation is that local enterprise will now be integrated into the functioning of local authorities. As this is a positive step in the right direction, I disagree fundamentally with a number of the previous speakers who expressed doubts as to whether local government would be a suitable vehicle for promoting local enterprise. A number of previous speakers outlined their support for Enterprise Ireland, IDA Ireland and the successes they have had, particularly more recently, but also appeared to voice concerns that local authorities did not have the requisite personnel with the requisite skills to promote enterprise. Officials of Enterprise Ireland, like local government officials, are public servants and I do not believe a public servant who happens to work in a local authority could not have views of a more enterprising nature, as they are not mutually exclusive. From my point of view, in the local authorities in Kilkenny, management and staff have always traditionally had a pro-active view to attracting and promoting enterprise in their local authority functional area. The basic tenet of this legislation, to establish a “first-stop shop” for local enterprise within local government is a further effort to reform how local government operates and to ensure functions that should properly be administered by local authorities are administered by them.

The Minister for the Environment, Community and Local Government has introduced a number of reforms, probably the most wide-ranging reforms since our system of local government was established in the late 1800s, when we were under a different jurisdiction in terms of reforming the structures of local authorities. This introduction is a further positive step combined with the fact that for the first time in many years local authorities will have a revenue-raising function in the form of the local property tax. These functions should be administered locally and that is principally why I am very much in favour of this legislation which proposes the establishment of these local enterprise offices. I do not conform to the views some have expressed that local government cannot be a place where enterprise exists. We should try to foster more enterprise in local authorities and this legislation will be a significant step in ensuring we can do that into the future.

Deputy Eoghan Murphy: I welcome the Bill and all that the Minister is trying to do to help small and medium sized enterprises and create an environment that will help create jobs and promote business in the domestic economy. The Action Plan for Jobs is key to the Minister’s strategy. The Cabinet is discussing the iteration of the action plan for 2014. The evidence shows us that the Government is doing good work in this area in trying to make it as easy as possible for new businesses to get going and for existing businesses to survive and thrive. It has been said here before, and has become a mantra, that it is not the Government’s responsibility...
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to create jobs but to create an environment in which jobs can be kept and created. It is often repeated, but during the boom years the biggest sector for job growth was construction and after that the public sector. That was the Government directly creating jobs and it should not have done it that way. It was for other reasons, probably political, that it pursued that course but it was not to the benefit of the country, particularly when the economic collapse came.

The strategy being pursued regarding the Action Plan for Jobs is about giving small supports in a tangible way in key areas of the economy that could help private enterprise and individuals succeed, and from that create jobs and a healthier economy. One aspect of that action plan I hope to see promoted is peer-to-peer financing. I have mentioned this in the Dáil a number of times. It is a solid alternative to bank and Government lending and there is great space for it now. In the UK in 2013, 10% of lending to SMEs was peer-to-peer. The borrower gets loans at a cheaper rate while the lender gets a higher interest rate than from saving that money or putting it into less profitable investments. There is great benefit for everybody involved in the market. The other good thing about it is that it does not involve the banks, because that lending model is being challenged, and rightly so, and it does not involve the Government directly. That needs to be promoted and I hope the Action Plan for Jobs for 2014 can promote that in some tangible way through some sort of tax incentive or tax relief or through a small bit of funding that would follow private funding in that market once the different auctions have closed. There is a detailed submission on this in the Minister’s office and I hope it will be considered.

We are, rightly, making it easier for businesses, new or existing, to navigate the difficult system when it comes to interacting with local government or with their responsibilities in general. That is one of the welcome aspects of this Bill, that it tries to reduce the red tape for businesses and make people aware of the supports available to them. In this sense a one-stop shop model is a very smart way to proceed. It should be possible for a business-minded person to go to a public desk in a local authority and in one interaction discover all he or she might need to do to set up a business, the files that would need to be completed, the forms that would need to be checked, any charges that might need to be paid and applications made for different types of business. There should also be a facility to point them in the direction of where other types of support might be found, such as mentoring, networking or low-level funding.

I am not sure the local authority is the best place to warehouse those services, and I will come back to that. When we talk about a business person interacting with a local authority or the Government in trying to establish or expand a business it is important that we acknowledge that too many charges and too great a variety of charges fall on a small business today. These charges make it far more complicated to administer and do one’s business and are too high. A number of people have come to me who are in the process of trying to open a new business and they have a multiplicity of charges already levied on them. They have liabilities to the local authority before they have even begun to trade. That is a ridiculous situation.

In addition, the way we charge our local businesses through the commercial rates system needs to be completely re-examined and redrawn. We have a flat tax on business, on enterprise. That cannot be seen as a taxation strategy that promotes enterprise. Our taxes on employment are too high. We must acknowledge that that is a disincentive to creating jobs. If we use taxes in other areas of the economy to reduce activity, taxes on employment that are too high will also reduce that activity. The same logic must follow.

We must keep on addressing these two key issues in government. It is good that things like one-stop shops are being introduced. It is good to use the Action Plan for Jobs to put those key
supports into particular areas of the economy. However, if basic things like the costs of doing business, in terms of the taxes levied on the business, or the costs of employment are too high, that will be a barrier from the get go.

The Minister’s ambition in this Bill is the establishment of local employment offices and that is to be commended. It is a huge amount of work with many moving parts. Many people accessing those services across the country will benefit from the new arrangement. I previously sat on the Dublin City Enterprise Board. I am not sure if the solution for Dublin is to merge the local enterprise board into the local authority. There might be a good case for this in other areas of the country but in talking about our strategy for the country we need to recognise that a one-size-fits-all approach is not necessarily in the best interests of the capital. Dublin is different and should be treated differently.

The Dublin region is the economic engine of the country. We have the highest concentration of people. We raise the most GDP. There is greater diversity in terms of possible avenues for accessing funding. There are more networking events, people and, therefore, more mentors available to people. If it is working well, and it is working well, without the direct control of the local authority, why would we change it? It might be better for other regions of the country, but for Dublin, and the significance that it has for the wider economy, we must be sure we are moving in the right direction. I might be wrong. I defer to the Minister. However, my experience tells me that if one wants to be a successful support to small businesses, it is better to be a small business. If one wants advice on entrepreneurship, it is better to speak to an entrepreneur. That is the kind of mindset we should approach as we try to help people, private enterprise and the economy to get going again and rebuild the domestic economy.

I hope that by moving Dublin City Enterprise Board into Dublin City Council we do not in some way damage that small-business spirit that has led that company in trying to do its best for other small businesses in the city, and which did it very well in my experience and from everything I have seen since. I commend and thank all the members of the company and the board members for the service they have given to date. I wish them well in what they do in the future. I also wish the Minister well in his strategies for promoting job creation and with the Action Plan for Jobs 2014 that will be released shortly.

**Deputy Bernard J. Durkan:** I am delighted to have an opportunity to speak on this Bill. It is appropriately constructed and timed. It will help augment the Government’s job creation strategy in general. It will bring a new impetus to job creation at local level. When locating jobs in the micro-sector it is important to have local knowledge, information, input, expertise and employees. We are fortunate to have a highly educated population, both young and old. Unfortunately, over the past number of years we have had more people than there were jobs available, but this issue is being addressed. I would not have believed four years ago that we would now have reached a situation in which more than 1,000 jobs a week are being created. This is a great tribute to the efforts of everybody concerned - the Government, the Minister and his colleagues. It is also a tribute to those in the public sector charged with this responsibility, such as Enterprise Ireland, the IDA and the county enterprise boards, which have undertaken this work in the past. All credit is due to them for their efforts. They did not have an easy task. The work was all uphill and difficult. We were told on a daily basis that there was no hope, that the country could not survive and there was no hope for our youth. Despite this, there has been significant success.

Like most Members, I spent a long time as a member of a local authority and I have always
claimed that the separation of local authorities from the Oireachtas through the abolition of the dual mandate was a negative step. The dual mandate was significant in ensuring the direct link between the Oireachtas and the local authorities was maintained on an everyday basis. This gave greater power and influence to the local authorities and gave the Oireachtas a better and more direct impression of what was needed at local level. However, that debate is for another day.

Everything changes with the passage of time. The county enterprise boards worked extremely well up to now. However, circumstances have changed. It is critical now that the new local enterprise offices will be able to strike out afresh, using the information that was available to county enterprise boards and the information and support that was available to central agencies such as Enterprise Ireland and the IDA to the advantage of the local people. They must try to ensure that there is a link-up with the educational system, through the schools, to ensure the skills being developed are suited to what jobs and opportunities are likely to become available in their area.

An important issue in regard to providing jobs of any description in any part of the country at any time is the availability of the infrastructure. We must have adequate roads, telecommunications, water supply and power. Despite the fact that rain seems to fall constantly, we are only now, through Irish Water, coming to grips with the issues of water storage, treatment and supply. Energy supply is also an important issue. All of these areas of infrastructure need to come together in the creation of a package that is vital to a new entrepreneur or a business person who wishes to expand. We must be aware of the role that can be played at local level in this regard.

We should remember that it is now possible to set up multinational corporations from very small beginnings. Let us not forget that many major enterprises worldwide grew from small and humble beginnings, for example, Glen Dimplex and the enterprises of Bill Gates and various others. Intel was founded in a garden shed and started off very small. We need to nurture this culture. In the past, we tended to allow opportunities to pass us by without giving sufficient notice or attention to the potential of enterprises or what could be achieved by adding to those we already had and creating jobs.

It is possible to provide many jobs from small beginnings, even in remote parts of the country, through the use of modern technology, communications, road networks and facilities. Therefore, we must ensure that when developing industry and businesses we spread the opportunities across the country rather than concentrating on one area. This will have a beneficial impact on the wider economy. In the past there has always been an imbalance in this regard, and larger towns and cities have tended to draw industrial development to them. However, modern developments facilitate smaller industries, even in remoter parts of the country, and we must highlight this.

If a young entrepreneur or anybody with a business idea requires a patent, I would advise them to apply for a patent before they seek support in the marketplace, because too often other people will pick up and develop their idea to their advantage. I have been witness to one or two such cases in which an obvious unpatented business idea was developed by someone other than the originator. I hope the concept we are now unfolding will guard against this occurring.

It is no harm to use the new local enterprise offices to strike out anew and develop a new concept. They should be aggressive in their pursuit of people who have the ability to create jobs and enterprises, local or international. Access to local information is hugely beneficial.
A number of people have raised concerns as to whether the new LEOs are the right places for this. I believe we do not do our local authority personnel justice in this regard. Many of them have skills and expertise and are well capable of assessing business opportunities, evaluating the concepts laid before them and making a judgment call that will benefit the local area. There is nothing so frustrating for someone as to be told “I will have to send that to headquarters,” so that somebody else’s opinion will determine whether the enterprise gets off the ground. That is not the way it should be. We should always be prepared to trust the people with the skills, ability, wherewithal and business acumen to be able to assess what is laid before them in a businesslike fashion. The county enterprise boards have proved they can do that and I have no reason to believe we do not have adequately skilled people in the local authorities to do the same in the future.

If we have a structure already, we should utilise it. The local authorities are already in place. We have spoken about reform, and reform is taking place. Notwithstanding this, we should never forget if we do not give an opportunity to people at local authority level to exercise their flair it will never happen. Their commitment to the public good will be restricted because if they are always overshadowed they will not blossom, flourish or give their all, which is what is required at present.

Interaction with local business people and budding business people will continue to be important but we must also recognise our culture. The culture here has always been to anticipate failure. If one comes to the House any morning, afternoon or evening again and again one will hear the anticipation of failure, negativity and the inability to see anything positive. This is a change because the House was not like this. I have sat in various perches in the House over time and there has been a massive development of negativity. If we could harness the negativity in the House, bottle it and export it we would have an abundance that would keep the country going for a long time. The quicker we realise the degree to which we have at our disposal adequate resources, brainpower, ideas and management skills required to do the job in today’s challenging world the better for ourselves, for the country, for the people and for the economy in general.

I mentioned the need for local skills and infrastructure. The LEOs will help focus attention on the requirements for local infrastructure in a way which has not been done before. This opportunity is being given to the LEOs at a crucial time for economic recovery and they will have critical influence in the major economic job to be done. In the past the economic development of the country has been cyclical. Over the years we have taken two steps forward and four steps backwards and we have never achieved a proper cohesive integrated and interdependent economic programme in a way which provides jobs for the population in the long term. In recent years every effort has been made to try to recover from a downturn when we should have been spearheading and showing the rest of the world the extent to which we can do the job thrust upon us even in difficult circumstances. This is being done now. We should avail of it, capitalise on it and use it as a means of promoting our image on the home market and abroad in such a way as to ensure we do not continue to bid goodbye to our young skilled workforce and have to visit them in other countries, and no longer ferment and create the impression with every new generation that somehow we are not as good as we should be. The degree to which very often our emigrants are successful abroad is due to the fact they are applauded when they strive to improve their lot, but this does not always happen at home.

Deputy Kieran O’Donnell: I am delighted to contribute to the debate. The county enterprise boards are being assimilated into local authorities under the auspices of Enterprise Ireland.
I will speak about Limerick as it is the area I represent. The Limerick city and county enterprise boards will come together in the amalgamated Limerick local authority under the manager Conn Murray. A one-stop shop will be created. We speak a lot about structure but the skillsets of the personnel are what is most important.

I was self-employed from many years as a chartered accountant with my own practice. I dealt with self-employed people and know what they must go through. It is critical the service is made as accessible to them as possible. The one-stop shop under the local authority umbrella will include enterprise and innovation, planning, licensing and structures and it is very welcome. Success will come down to the personnel so it is extremely important the skillsets in the enterprise boards are retained in the new structure.

The structures will evolve over time and the integrated model whereby all the services will work together under one roof is the most efficient and effective model, but this will also come down to the skillsets of the personnel. One can have the best organisation in the world but if one does not have the people with the necessary skillsets running it the organisation may be highly ineffective.

Small and medium enterprises are the lifeblood of the economy and we must appreciate what is involved when somebody becomes self-employed. People may go into self-employment from being unemployed or from secure employment and the risk they take must be acknowledged, as must their concerns about collecting money and access to finance which is why the one-stop shop under the local authorities must be integrated with financial institutions, other State organisations, mentoring services and any grants which are available. People considering becoming self-employed should know when they go to their local authority they will be given very straightforward advice in a range of areas and will be told for what grants they qualify, the schemes under which they can get assistance such as the State-backed bank credit guarantee scheme and microfinance scheme, and provided with information on access to credit from the banks.

Limerick now has directors for economic planning and innovation and a marketing area manager, and all of these will come under the one-stop shop umbrella. Self-employed people and those becoming self-employed must know when they contact the one-stop-shop they will obtain services efficiently and at a low cost and will get whatever assistance is required. The critical period for survival for any small business is the first three years and in the following two years they should reach a stage where they make reasonable money. For existing businesses it is about survival and taking on staff. This is about job creation.

I welcome this measure but it must be based on retaining skillsets and putting in place skillsets to help the small and medium enterprises sector.

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry):** We are aware that a target has been set by the Taoiseach that Ireland will become the best small country in the world in which to do business by 2016. This is an ambitious and achievable target. A key component for the delivery of this target is the reform of the national micro and small business support service. One of the pillars of the Government’s strategy for promoting jobs and growth is ensuring that micro and small businesses can start up, grow and export. This legislation will enable the creation of the best possible local environment for micro and small business, and the development of a strong network for entrepreneurship.
We have had a very good debate. What the Taoiseach and the Minister, Deputy Bruton, announced today were the key features of the new local enterprise offices which include additional funding of €3.5 million in 2014 and 170 dedicated staff across the local enterprise office, LEO, system, supplemented by a new graduate recruitment programme to take place shortly and supported by additional local authority staff. Additional services include a new young entrepreneurship fund, which is very welcome, the Microfinance Ireland credit guarantee scheme, and access to services from Revenue and the Department of Social Protection. The system will combine new supports with business services currently delivered by county enterprise boards, CEBs, and those delivered by local authorities in the first-stop-shop to be located in local authority offices until the overall framework set by the Minister for Jobs, Enterprise and Jobs is in place.

Each new LEO embedded in a local authority will develop a local plan for boosting enterprise, with targets including new business start-ups, business expansions, jobs created or sustained, as well as wider impacts such as exports, mentoring, training and enterprise promotion, which cover many of the issues raised by Deputies in the debate. This represents a fundamental reform of local government to ensure services are delivered and decisions made closer to the people. There will be new training programmes for all staff in customer support, and a new customer service and charter will include targets for levels of service delivery. That is what was announced by the Minister, Deputy Bruton, and the Taoiseach earlier today.

Regarding some of the queries raised, Deputy Calleary referred to the elected members. I understand they will have an oversight on this area. It is critically important that they would have such oversight with the new municipal areas around the county, and it will be driven by the benchmark of Enterprise Ireland. It is very much a two-way process. The service level agreement will be a very clear document in that regard.

Regarding national awards, there will be major national awards involving up to 14,000 participants through the enterprise fund system.

The Bill is technical in nature but the main issues are the dissolution of the county enterprise boards and the transfer of their functions, assets and liabilities. The transfer of staff is equally important.

The point was raised about the Intreo office, joined-up thinking and the special budget. There is no matching funding required from local authorities in this regard.

I will not address every issue raised as many of them will be discussed in detail on Committee Stage. However, I will speak to a number of them.

With regard to local authorities working with business to support investment and business development at local level, that has been part of the remit up to now. It includes promoting and fostering entrepreneurship, the delivery of essential services to businesses, and responding to the needs of local business speedily and efficiently.

The wide reach of local authorities in the community makes them an ideal partner. Equally, combining the role of social enterprise in community and economic regeneration with the role of community enterprise centres in the communities will be very much part of this process.

The new structure will bring in the local authorities as direct partners in promoting entrepreneurship and supporting small and micro businesses. The Minister for Jobs, Enterprise and
Innovation will retain responsibility for policy and budgetary matters.

Enterprise Ireland’s focus will continue to be on the high potential start-ups, HPSUs, and companies with at least six staff that have potential. The word “potential” is important in that regard.

The local enterprise offices will continue the county enterprise boards’ focus on micro-enterprises that are starting up or expanding. The new service will also provide soft supports to small business, any business with a query or an entrepreneur with a business idea. Any person with a commercially viable business proposal will be assisted. There is no specific policy focus on issues such as social enterprise.

As part of the robust metrics format, the service level agreement will be tailored to suit the size and the capacity of each LEO and included in a local enterprise development plan that will be agreed annually between each LEO and Enterprise Ireland. The performance under these metrics will be monitored by Enterprise Ireland.

The student enterprise award is well-established. There is a strong foundation for building upon that, which is our intention. The role the county enterprise boards have played in that regard will continue to be played in the LEOs.

We believe strongly in the benefits gained by mentoring at different stages of the life cycle of business, about which Deputy Collins spoke. Such a service is crucial to the success of many micro and small businesses, and also to medium and large-scale businesses. There will be a focus on that aspect as well.

On the question raised about consultation, there was a series of consultations during the development of this restructuring plan in conjunction with the launch of the action plan in 2012. The Minister, Deputy Bruton, produced a public consultation document, which was very informative. In addition to all those measures, the stakeholders in this process, including the staff and boards of the county enterprise boards, Enterprise Ireland and the local authorities, have been included and involved. This is being managed through the implementation working group, which has been very effective.

The total Exchequer allocation to the county enterprise boards for 2013 was €25.9 million, of which €15 million is for the capital budget. The Exchequer allocation secured by the Department will continue to be the primary source of funding for the provision of LEOs, grant aid and other supports to the micro and small business sector.

The budgets for the LEOs will be allocated by Enterprise Ireland. The funding given to Enterprise Ireland is under a separate, ring-fenced subhead on local authorities. It is also anticipated that the local authorities may provide additional funds for activities or projects, particularly in regard to enterprise and entrepreneurship, promoted through the normal budgetary process. Matching funding is not requested from local authorities.

The Government decision of 17 April 2012 provided for the dissolution of the county enterprise boards and the subsequent secondment of all the existing staff and the relevant local enterprise offices.

As part of the change to the county enterprise boards, all policies and procedures are currently being reviewed. This will include pre-grant check requirements, a point raised in the de-
bate, on companies to confirm compliance with various statutes, for example, those on taxation, and compliance with labour law as a requirement for payment of a grant.

The local enterprise offices will continue to grant-aid company start-ups with fewer than ten employees with the potential for growth, which is an important point. The provision of soft supports such as training, mentoring, advice and information will be widened to include business start-ups with more than ten employees.

On the points raised by Deputy Calleary, he gave an example of a system that is in place in Mayo. It would be very successful. We will take on board his input. The Minister, Deputy Bruton, will deal with the question of elected members but they will have a critical role in the new municipal areas in the outreach offices in Mayo, and likewise in County Sligo.

Deputy Colreavy raised the issue of rates imposed on businesses. There is a provision that local authorities may be able to give a derogation to businesses for the provision of services in towns and securing occupancy in vacant properties; they will have some discretion in that respect. The Minister, Deputy Hogan, is examining that idea. The Deputy also raised the issue of the private business sector, and the role of villages and towns in terms of community involvement. That will be examined also.

Deputy Wallace was somewhat negative on the potential of this initiative but I would be very positive about its potential. From cities to counties it presents a great opportunity.

Regarding Deputy Boyd Barrett’s point, we are certainly not dismantling the structures. We are improving the structure, not dismantling it. Our focus will be the real engine of growth, namely, micro-enterprises and start-up companies. The microfinance fund will assist in this regard, as will the COSME fund of €2.3 billion which was agreed to during the Irish Presidency. The COSME fund may be allocated through the local enterprise offices.

Deputy Dara Murphy spoke about the “think small first” principle and the issue of regulation. We are conducting a review of licensing.

Deputy Denis Naughten made a good suggestion about national standards and a quality mark for websites. He also spoke about foreign direct investments and grants. With a facility in every county, Enterprise Ireland and IDA Ireland will be able to collaborate on county plans. The Western Development Commission will play a critical role in the counties in which it operates.

Deputy Joe O’Reilly also spoke about foreign direct investment and county plans. The new structure will allow us to develop centres of excellence and cut red tape. Enterprise Ireland can play a critical role in this regard. The chairman of IDA Ireland, Mr. Frank Ryan, is a former CEO of Enterprise Ireland. Regional planning will be central to the structures.

Deputy Finian McGrath spoke about the youth guarantee. The Taoiseach has sent a clear message of support for it and the Intreo offices are actively supporting people in moving into business or employment. Deputy Ann Phelan spoke about the importance of employing experienced staff in the context of employment law.

Deputy Damian English spoke about the role the European Investment Bank could play in supporting micro-funds. The loan guarantee and community-owned centres will also play an
important role. Deputy Anthony Lawlor spoke about micro-enterprise funds and start-up work
spaces which will be incorporated into local action plans.

Deputy Áine Collins asked about mentoring, which will be ring-fenced and included in the
Action Plan for Jobs. Deputy John Paul Phelan stressed the importance of job creation and
recognising that every enterprise has the potential to create jobs.

On Deputy Eoghan Murphy’s comments, the structures will work in Dublin. The high level
group is reducing red tape for business. I agree entirely with Deputy Bernard Durkan on the
need for positivity. This can work, but it will require the co-operation of business people and
local authorities on the ground.

This is an important Bill which will assist the Government in its plans to reshape the land-
scape to more effectively meet the needs of micro and small businesses by bringing local enter-
prise supports into an integrated national network of local enterprise offices, creating a seamless
support structure - the first-stop-shop - to offer the full range of State supports available to the
micro and small business sector and ensuring this vital sector will benefit from an expanded and
bench-marked service across all regions, with all forms of entrepreneurship fostered and sup-
ported. Some 31 offices will act as local hubs for enterprise support, delivering a comprehen-
sive first-stop-shop service to local entrepreneurs and businesses. They will combine the direct
grants, mentoring and training formerly delivered by the county enterprise boards with business
supports; utilise local business expertise to evaluate projects; provide training and mentoring
on starting a business; and provide for an enhanced advice and guidance service embracing all
other local and national supports and, where necessary, direct referral of clients to Enterprise
Ireland or the microfinance and loan guarantee schemes.

In addition to the drafting of this legislation to implement the 2012 Government decision to
reform the system of supports, significant progress has been made on the restructuring project.
I am optimistic about the new local enterprise boards and look forward to debating the Bill
further on Committee Stage.

Question put and agreed to.

County Enterprise Boards (Dissolution) Bill 2013 [Seanad]: Referral to Select Commit-
tee

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John
Perry): I move:

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

Question put and agreed to.
Roads Bill 2014: Order for Second Stage

Bill entitled an Act to provide for the dissolution of the Railway Procurement Agency and the transfer of its functions and staff to the National Roads Authority; to amend the Roads Act 1993 and the Transport (Railway Infrastructure) Act 2001; to provide for additional functions to be assigned to the National Roads Authority; and to provide for related matters.

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): I move: “That Second Stage be taken now.”

Question put and agreed to.

Roads Bill 2014: Second Stage

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): I move: “That the Bill be now read a Second Time.”

I am pleased to introduce the Roads Bill 2014, the main purpose of which is to merge the Railway Procurement Agency, RPA, with the National Roads Authority, NRA, by dissolving the RPA and transferring its functions and staff to the NRA. It also provides a timely opportunity to update existing provisions in the Roads Acts.

Almost six years ago, in March 2008, I had the privilege of publishing a policy document for Fine Gael entitled, Streamlining Government. It was the first occasion on which any of the main political parties had sought to tackle the increasing proliferation of State agencies and the democratic deficit associated with that proliferation. The document set out proposals to reduce the number of State agencies and improve their accountability and governance structures. This programme was in part but not in heart adopted by the previous Government. It became a cornerstone of the Fine Gael manifesto in 2011 and was subsequently included in the programme for Government.

The Bill is part of our overall efficiency and reform agenda. In November 2011 the Government set out certain commitments in relation to agency rationalisation under the public sector reform plan. The main commitment under the plan was implementation of 48 specific restructuring measures which included the merger of the NRA and the RPA. Apart from a small number of cases, in respect of which the Government decided not to proceed, all of the original 48 measures, involving over 100 bodies, have either been fully delivered or will be delivered this year. On 14 January the Minister for Public Expenditure and Reform published the Government’s new public service reform plan for the period 2014 to 2016 and the second progress report on the previous reform plan. The new reform plan builds on the progress made to date.

In my Department the merger of the NRA and the RPA is just one of a number of agency restructuring projects under way or concluded. I have already incorporated Dublin Tourism into Fáilte Ireland, Coaching Ireland has transferred to the Irish Sports Council, while Dundalk Port has been amalgamated with Dublin Port Company. I have also transferred Baltimore and Skibbereen Harbour and Kinsale Harbour to Cork County Council. Harbours at Tralee-Fenit and Arklow have been transferred to their respective local authorities, while Bantry Bay Har-
bour has been transferred to the Port of Cork. In the coming weeks the Minister of State at the Department of Transport, Tourism and Sport, Deputy Michael Ring, will publish legislation to merge the Irish Sports Council and the National Sport Campus Development Authority. I also intend to complete the merger of Shannon Airport and Shannon Development before the summer. Later this year I propose to publish legislation to provide for the transfer of four ports of regional significance, Drogheda, Dún Laoghaire, Galway and New Ross, to local authority control.

At the last count, there were 40 fewer State agencies than was the case three years ago. This is the first Government in the history of the State under which the number of State agencies has decreased. It is my intention that the agencies within the remit of my Department are lean, efficient and fit for purpose. They must also be flexible enough to deal with challenges and changed circumstances as they arise.

4 o’clock

Turning specifically to the merger of the NRA and the RPA, there is a need to restructure the institutional framework in the transport sector, particularly in the light of the significantly reduced capital investment programme. The rationale behind the merger of the NRA and RPA recognises these changed circumstances. It also ensures that core technical and professional skills will be retained in the public sector to support the future development of transport infrastructure, particularly as the country now emerges from recession.

The merger is being progressed through the dissolution of the RPA, which is a commercial State body, and the transfer of its functions and staff to the NRA. The newly expanded NRA will use the name “Transport Infrastructure Service” to better reflect its expanded functions. The statutory name of the National Roads Authority is not being changed and it will continue to be instituted under the Roads Acts as a non-commercial State agency under the aegis of the Department of Transport, Tourism and Sport and its successors.

Although the RPA is being dissolved, the merger with the NRA ensures that the value created over the years by RPA in terms of organisational and project management skills will be retained, leading to the development of a new body. This body will be a leader in Ireland for planning, delivery and management of road and light rail infrastructure. The merger proposals also seek to provide the best and most efficient use of scarce public resources.

The new organisation will benefit considerably from having a range of specialist skills and technical expertise at its disposal. The technical areas of expertise include project management, transport planning, negotiation and management of PPP contracts, engineering design and advice, environmental procedures and property acquisition and management. The expanded range of in-house expertise available to the new organisation should lead to a reduction in the need for procurement of external contractors, often known as consultants. The new body will be encouraged to seek out opportunities to provide technical support, advice and services to other bodies on a commercial basis.

I have established an implementation group to devise and execute plans for the integration of both bodies. The group is currently finalising a proposed new organisational structure in consultation with officials in my Department and the Department of Public Expenditure and Reform. I fully recognise that human resource issues require sensitivity and careful consideration in any restructuring process. The transfer of a commercial State body into the non-
Effective communication and consultation between management and staff is key to achieving seamless integration of two separate entities and I expect all parties to continue to work together to execute a successful merger. I recognise the efforts that both organisations have made in reducing staff numbers in recent years, both in response to the reduced levels of capital investment and in readiness for the merger. Total staff numbers of the combined organisations have decreased from 435 when this merger was first mooted to the current level of approximately 290, with 105 in the NRA and 185 in the RPA. A voluntary severance scheme in RPA, which is currently nearing completion, will further reduce staff numbers prior to the merger. It is anticipated that once the merger has bedded down it will produce further efficiencies through the rationalisation of management structures and administrative support services, such as human resources and information technology services. On the day of its dissolution, all RPA staff will transfer to the NRA on no less favourable terms and conditions than those they held immediately prior to the merger.

During the merger process the agencies will not be distracted from performing their day-to-day functions, including the delivery of various important transport infrastructure projects set out under the Government’s current five-year capital plan, Infrastructure and Capital Investment 2012-16: Medium Term Exchequer Framework. In this context, RPA is currently active in overseeing the Luas cross-city project alongside the National Transport Authority. This is the key public transport project prioritised under the investment programme. It will create a Luas network by linking the two existing Luas red and green lines in the city centre and will connect with the railway at Broombridge station, thereby connecting the Connolly-Maynooth line to the Luas network. It will also link with rail services from Maynooth and Dunboyne and existing quality bus corridor, QBC, schemes which enter or cross Dublin city centre. It will have 13 stops along its route, including one serving the new Dublin Institute of Technology, DIT, at Grangegorman. The project is progressing well and within agreed timelines. The essential advance works are underway, with the building condition and cellar in-fill works already completed. The utilities contract commenced at eight locations in the city centre on 6 January this year. The expected award date for the main contract is November of this year, with works expected to commence in early 2015. Works will be completed by the end of 2016. Following testing, commissioning and trial runs, the line should open in quarter 4 of 2017. The project is expected to create up to 800 jobs during construction and 60 permanent jobs on completion. As Members will be aware, I chair a high-level project group comprising representatives of businesses and traders, An Garda Síochána, Dublin Bus, Dublin City Council, the RPA and the NTA with the key aim of ensuring that the city remains open for business while the project is being delivered. The group will monitor progress at a strategic level and will keep abreast of any significant issues relating to traffic management affecting the project over the next few years.

The NRA is also heavily engaged in a number of major projects under the Government’s capital programme. The conclusion earlier this year of the contracts for the N7-N11 public private partnership, PPP, project was a vote of confidence in our recovery. The project will see the N11 between Arklow and Rathnew widened to four lanes and, by providing a free-flow system at Newlands Cross, will remove the last set of traffic lights between Belfast and Cork. This scheme is expected to be complete at the end of 2014. The Government stimulus package announced in July 2012 includes funding of over €1 billion towards three additional PPP road transport projects which will further develop our high-quality road network.

Procurement of the three PPP projects included in the stimulus programme, namely the
N17-N18 Gort-Tuam link, the M11 Gorey-Enniscorthy road and the N25 New Ross bypass, is under way in the NRA. These projects, along with the Luas cross-city project, are providing a welcome boost to Ireland’s construction sector as well as generating significant long-term economic benefits. A new programme of transport infrastructure projects will be determined in the context of the next capital programme, which will be considered by Government in 2015.

In addition to the merger provisions, I am availing of the opportunity to update existing provisions in the Roads Acts, having regard to current requirements with regard to the public road network and the functions of the NRA. These provisions are: powers for the NRA to make by-laws on the maintenance of national roads where it decides to take over responsibility for such roads; the conferral of mandatory status on NRA standards for design, construction or maintenance works on national roads; the payment of grants by the NRA to road authorities for their functions in relation to regional and local roads; and clarification of some laws regarding the recovery of unpaid tolls.

I am also considering making provisions for the transfer of asset ownership of motorways and key dual-carriageways from local authorities to the NRA. I intend to complete my consideration of this issue, in consultation with the Office of the Attorney General, with a view to the introduction of amendments on Committee Stage. I may also introduce amendments giving the new body the power to engage in pre-planning discussions with An Bord Pleanála. Currently, the RPA can do that but the NRA cannot.

Before turning to the contents of the legislation, I want to comment briefly on other aspects of the reform agenda that was outlined in the document Streamlining Government. The Government has introduced a system whereby members of the public can express an interest in serving on State boards. That is in stark contrast to the closed-shop approach that prevailed previously. This was first proposed in the same policy paper. In the case of my Department of Transport, Tourism and Sport, as of the end of 2013 I had made just over 120 new appointments to State boards. This excludes those who were re-appointed to positions they had previously held, CEOs, employee representatives and those made by the North-South Ministerial Council, NSMC. Of these 120 appointments made, more than half submitted expressions of interest, with the remainder approached to serve for the skills that they have. In every case where expressions of interest are made, consideration is given to individuals appropriate to the promotion of good governance at board level. Experience or qualifications in finance, law, corporate governance, marketing, information technology, transport, tourism and sports are sought after.

On occasion, I have approached persons to sit on a board because of their particular skills or experience. Ms Kathryn O’Leary Higgins, for example, was approached to sit on the board of the Shannon Group. Ms O’Leary Higgins was a member of the United States National Transportation Safety Board, NTSB, from 2006 to 2009. She served as deputy secretary of the Department of Labor from 1997 to 1999 and in the White House as assistant to the President and secretary to the Cabinet from 1995 to 1997. She is the kind of person whom we should be seeking to serve on State boards, and is a good example of why we should not limit ourselves to those who respond to a public advertisement.

A frequent complaint is that some of those who have been appointed have political connections. This is always portrayed as negative. In my view, it is not. Of course it would be demonstrably wrong to appoint someone whose sole qualification is a party or personal connection, but where the person is qualified and can make a good contribution, political or personal connections should not bar him or her.
Involvement in politics at a voluntary level should be encouraged. Such people care about their county and community.

In our pre-election policy paper, which I have referred to on a number of occasions, we specifically stated that: “Our system will not exclude people with political affiliations from serving on the boards of state agencies but aims to ensure that appointees will be suitably qualified for the positions they will hold and that a well designed system of parliamentary scrutiny will ensure that inappropriate appointments are not made.” That is what we are aiming to achieve here.

I do not think it unusual that people appointed to represent a Minister on a State board should actually support Government policy. In fact, I consider it to be a natural thing. In regard to incoming chairpersons of State boards, the Government has introduced a requirement that they appear before the relevant Oireachtas joint committee prior to their appointment. Fourteen chairpersons of agencies under my Department’s remit appeared at the relevant joint committee before their appointment. This included Cormac O’Rourke, the current Chairman of the NRA and RPA. He will continue in this role after the merger. He appeared at the joint committee on 28 November 2012 and acquitted himself well by all accounts.

Across all Departments more than 30 incoming State agency chairpersons have appeared before their relevant joint committee prior to their appointment. These included the chairpersons of An Post, Bord na Móna, Dublin Airport Authority, the Grangegorman Development Agency, the Irish Film Board, the National Lottery Company, the Port of Cork, Road Safety Authority, Shannon Foynes Port Company, Shannon Airport Authority, SOLAS and the National Educational Welfare Board among others.

While committees do not have a veto on these appointments, the fact that any chairperson proposed has to appear in public and answer questions on their appointment is a significant brake and works to ensure that only people of high quality and diligence are nominated by a Minister.

A significant issue of concern to Opposition Deputies in the last Dáil was the fact that any question concerning the activities of State agencies would be ruled out of order by the Ceann Comhairle and whether the information was given to the Deputy ultimately depended on the agency itself. The NRA was regularly cited as being one of the worst offenders in this regard. In this Dáil, I have implemented the practice of referring all such questions to the State agency for a direct response with the promise of following it up by my office with the agency within ten days if an answer is not given. Based on feedback I have received to date this system appears to be working satisfactorily and is providing a far higher level of accountability than previously was the case.

I propose to outline the main provisions of the Bill. In summary, the purpose of Bill is to dissolve the Railway Procurement Agency, RPA, and transfer its functions to the National Roads Authority, NRA, to transfer the staff of the RPA to the NRA, to amend and expand certain functions of the NRA and to amend the Roads Act 1993 in relation to miscellaneous provisions.

The Bill is divided into four parts. Part 1 deals with technical matters such as the Short Title and commencement, definitions, and savers.

Part 2 provides for the dissolution of the RPA and the transfer of its functions, property, rights and liabilities to the NRA. Section 5 of Part 2 is the key section that covers the proposed
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arrangements for the dissolution of the RPA. The Minister will, by order, appoint a day to be the dissolution day for the purpose of the legislation and the RPA will stand dissolved on and from the dissolution day.

Section 6 provides for the functions of the RPA to be transferred to the NRA. This section also provides that any reference to the RPA, which relates to a function transferred by this section, is to be construed as a reference to the NRA. Section 7 is a standard technical provision to transfer land and any other property of the RPA to the NRA. All lands currently vested in the RPA will be vested in the NRA without conveyance, transfer or assignment and remain subject to all trusts and equities affecting the land. All other property currently vested in the RPA will also be vested in the NRA without assignment. Section 8 provides for the transfer of rights and liabilities, and continuation of leases, licences and permissions granted by the RPA. This is a standard technical provision to transfer the rights and liabilities of the RPA resulting from any contract or commitment the agency had entered into, to the NRA. The purpose of this section is to ensure a seamless transfer between the agencies.

Section 9 provides for liability for loss occurring before the dissolution day and ensures that the NRA will assume any liability arising from the carrying out by the RPA of any of its functions. The continuity is also ensured for any legal proceedings pending before the dissolution day. Any unimplemented agreement reached or judgment made but not enforced shall be enforceable against the NRA. Any claim which the RPA could make against any person will be made by the NRA after the dissolution of the RPA.

Section 10 sets out provisions to ensure continuity consequent upon transfer of functions, assets and liabilities of the RPA to the NRA under section 6. Anything related to the transfer of the functions of the RPA not completed on the dissolution of the RPA can be carried on or completed by the NRA. Every instrument and document made by the RPA before the dissolution, has effect as if it was made by the NRA.

Any reference to the RPA in the memorandum and articles of any company is construed as a reference to the NRA. On request by the NRA all moneys, stocks, shares and securities transferred by section 7 will be transferred into the name of the NRA. The Minister may certify whether any property, right or liability has been vested in the NRA under sections 7 or 8 and his or her certification is sufficient evidence of the fact unless the contrary is demonstrated.

Section 11 provides that final accounts are to be drawn up for the dissolved RPA up to and including the dissolution day. Section 12 provides that from dissolution day the NRA may, for operational purposes, use the name “Transport Infrastructure Service”. There is some debate about the use of that name and it may be that we will make an amendment to it on Committee Stage.

Section 13 provides for the transfer of staff from the RPA to the NRA on the dissolution day. Staff will not have less favourable terms and conditions of service relating to remuneration than they enjoyed in the RPA before its dissolution. In short, no staff member transferring over will be any worse off. Section 14 provides that a transferred person’s superannuation arrangements will continue in accordance with the existing RPA pension schemes, as they applied before the dissolution day. Section 15 provides for the repeal of Part 2 of the Transport (Railway Infrastructure) Act 2001 on the dissolution day. That is a long way of saying we will transfer the RPA to the NRA as a legal entity.
Part 3 deals with the functions of the National Roads Authority. Section 16 provides that the Minister may confer additional functions on the NRA with the consent of the Minister for Public Expenditure and Reform. Section 17 provides that the NRA will undertake procurement of goods and services on behalf of road authorities, in relation to regional and local roads, at the request of the Minister. That might include, for example, buying salt in bulk on behalf of local authorities.

Section 18 provides that the NRA may provide advice and services to the Minister, local authorities or other persons and that they may charge for services. Section 19 provides that the chief executive officer of the NRA will be accountable to the Committee of Public Accounts. Section 20 provides that the chief executive officer of the NRA will be accountable to other committees established by either House of the Oireachtas.

Part 4 provides for amendments to existing provisions in the Roads Acts. Section 21 provides that the NRA may specify standards for works on national roads to be complied with by those carrying out the works. Section 22 provides that the NRA may make by-laws for the purposes of the maintenance of national roads where it decides to take over responsibility for such roads. Section 23 provides that section 24 of the Roads Act 1993 is substituted by a new section which extends the power of the Minister to include the making of grants to the NRA in respect of regional and local roads. Section 24 provides that a road undertaking may initiate court proceedings for the recovery of any unpaid toll as a simple contract debt as if the toll was founded on a contract made where the liability to pay the toll is incurred. That means that where a toll is not paid on the M50 that can be prosecuted through the courts in Dublin where the offence was committed rather than having to prosecute in all different locations around the country.

Section 25, by the substitution of a new section for section 82 of the Roads Act 1993, extends the powers of the Minister to allow him to request the NRA to make grants to road authorities or others in relation to regional or local roads. It also provides that the Minister may make payments to any person or body for services rendered or goods supplied in relation to public roads. The Minister may also request the NRA to administer the payment of grants to road authorities on his or her behalf.

I strongly believe that the merger of the NRA and RPA will lead to the development of a new dynamic organisation which will be a leader in the planning, delivery and management of transport infrastructure in Ireland. I believe it is a body that will be able to sell its services overseas. It will demonstrate the best and most efficient use of public resources, consistent with the Government’s public sector reform agenda. Finally, if any Deputies intend to bring forward amendments to this Bill I urge them to raise any particular issues they may have in their Second Stage speech and to give my office sight of the amendments at an early stage so that, where possible and appropriate, the amendments can be considered on their merits and accepted rather than being rejected for technical reasons or because there was not sufficient time to consider them fully.

I commend the Bill to the House.

Deputy Timmy Dooley: I welcome the opportunity to contribute to debate on a Bill that Fianna Fáil will support in principle. It is a sensible approach that recognises the economic state of the country, the considerable reduction in the capital programme and the fact we are in a different phase of development in the economy. It is right that a level of consolidation takes place. Notwithstanding some concerns, it is not a bad idea to pull together these skill sets.
I want to record my thanks and appreciation to the staff and board of the Rail Procurement Agency, RPA. They were people of a high calibre and high standing and they did an excellent job. Since being elected initially to the Seanad, I have been a member of the transport committee. During the initial phases of the roll-out of the Luas system, it was a regular occurrence, as Deputy Olivia Mitchell recalls, to have Mr. Frank Allen, then chief executive, appear before the committee to respond to issues as they arose. I found him and the board member and chairperson of time, Mr. Pádraic White, to be people who engaged fully with the Oireachtas and sought to resolve or mollify the concerns being raised by traders in various locations. They did a fine job and no one involved in the RPA should see its dissolution as any reflection on the good work it did. That is a view held by all sides of the House.

When the two organisations are being made one, it is important to retain the vision of successive Governments to bring about a change in the dynamic of public transport infrastructure. I hope the concept of light rail and metro are visions held by all who serve the State. We must maintain a continued level of investment to ensure that, at a future time, there will be a Metro North project and the roll-out of light rail systems as part of the overall development of public transport. The National Transport Authority has made proposals about bus rapid transit, BRT, particularly for linking the airport. It is a sensible project and is something that can be incorporated into the work of the new merged entity, taking into account the skill sets that resided in the RPA and recognising its ability to roll out a project of that nature in a cost-efficient and effective way.

In the downsizing of the two entities, there is often a rush by some in the political process to be seen to reduce costs. We must be careful that, in making relatively minor savings, we do not undermine the capacity of the people or organisation concerned to deliver on the big picture, which is an efficient and effective public transport system that incorporates all entities, including light rail, bus and public service vehicles in a manner that gives Dublin and other cities a favourable position. We must ensure we have the most effective, efficient and best quality public transport system in western Europe. We should continue to strive for that. We have the benefit of not having the legacy of old and outdated systems. We have been rolling out systems in recent years and it gives us the chance to be more advanced.

Some figures have been compiled by my party and show that motorists pay 10% of all taxes in the State but Government spending on roads is being reduced for the regional and local road network by a massive 17% this year. We need fairness in taxes, and when hard-pressed motorists are paying in excess of €4 billion in taxes and charges annually, the least they can expect is that the roads are maintained to an acceptable standard. The recent bad weather did massive damage to the local road network, with which the Minister is familiar. Tax transparency is a mantra cited in respect of corporation tax but the State must respect the motorists of the country and give them the service they pay for heavily and deserve. The Minister is aware of the seven year rolling programme that existed prior to the current round of austerity. I do not seek to cast blame at the door of the Minister but it is vital we try to get back to an enhanced level of maintenance of the road network. At some point, we will reach breaking point and it will cost significantly more to bring the roads back to an acceptable standard.

Poor quality roads and those that become damaged have an effect on road safety and death on the roads. We all seek to reduce this. We often talk about enforcement and a greater level of detection by the Garda Síochána in respect of drink driving and speeding, but a significant part of the success achieved over the past ten to 15 years in reducing death and injury on the roads has been the significant improvement in the quality of our road network. Any deterioration has
the capacity to reverse the progress made. The Minister is aware of the figures in the Government’s publication, Infrastructure and Capital Investment 2012-16: Medium Term Exchequer Framework. It was published in November and contained significant cuts projected in the capital budget for roads over the coming years. The figures are €605 million in 2012, €278 million in 2013, €288 million in 2014 and down to €252 million in 2016. That will make it difficult to retain the road network in its current state and I have concerns about it. If there is a level of pick-up in the economy, perhaps the figures can be addressed again. The Minister must try to push his colleagues, particularly those in the Economic Management Council, to provide more funding.

The Minister referred to a paper he produced when he was a Fine Gael backbencher about the cull of quangos, and abolition of the RPA is part of the cull of quangos. The Minister will recall the photo opportunity his party engaged in prior to the previous general election and the document entitled 145 quango-ing...going...gone. It outlined plans to abolish or merge a range of State agencies. At the beginning of 2012, we were told that 48 quangos would be abolished or merged in that year, but by the end of 2012, it turned out that only one third of that number of so-called quangos, 17, were cut. The most recent update indicated that the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, had plans to abolish 25 more quangos by the end of this year, on top of the 46 already culled. However, the figures combined come to 71, or less than half the 145 that was part of the Fine Gael proposal before the previous general election. Of the 46 quangos the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, says have been done away with, close to half of them are VECs that have been merged with education training boards. The Government’s public service reform programme has focused on reducing services to the public and increased charges for local services. The Government continues to pay lip service to the concept of public service reform and concentrates its primary efforts on public relations and spin.

I do not include the Minister, Deputy Varadkar, in that. He set out something I accept and support, the process by which we appoint people to State boards. People should not be excluded because of a particular political leaning. It is all about what they bring to the organisation and whether this is a set of skills commensurate with the needs of the organisation. Their creed, colour or political affiliation and whether they are known to the Minister is irrelevant. I will never criticise any Minister in that regard. I supported the chairpersons the Minister brought before the Joint Committee on Transport and Communications because I believe they were people of high standing with the capacity to do the job. There is talk of whether the committee should have powers to veto, essentially, an appointment. In the circumstances I would not have had to use that, and neither would any member of the committee. Nevertheless, there is a recent example from the merged transport and communication committee. The chairperson-designate of EirGrid was brought before the committee and in the minds of most he had a relatively poor performance on the day, with all members of the committee questioning whether it was an appropriate appointment. Over the course of a week there was a major change of heart by the Government Deputies and Senators sitting on the committee, which meant the Whip system was brought into play so the individual concerned could be confirmed by the Minister and appointed by the Government.

There is an element of lip-service in this regard, although by and large and in most cases, Ministers will bring forward people with the required skills etc. I do not want to get into particular details as I have nothing personal against the individual, who is a fine public servant. In my view and that of others, his skills and experience did not gel with the job at hand. If we
are to be real about reform we must ensure that on the rare occasions when somebody does not fit the Bill that appropriate action will be taken by a committee that is given the power to indicate to the Government that it should not proceed with an appointment. That happens in the European Parliament and in the confirmation of Commissioners. People think they can sail through a committee examination if a Minister has approached them, and we have set the precedent of a committee examination being an irrelevance. In the one instance when such an examination was relevant, the Government nonetheless proceeded with the appointment. That is what I mean when I speak of an element of spin in the reform agenda. The issue should be reconsidered.

I support the vast majority of the Bill but section 17 would allow the National Roads Authority, NRA, to engage in the procurement of goods and services with regard to the regional road network. The Minister gave the example of purchasing road salt, which would be fine, as there were issues in that regard a couple of years ago because of a shortage of road salt when the crisis hit due to a duplication of effort by various local authorities. The provision is fine if it is just for that kind of purpose but I am concerned as to whether it provides the Government with a capacity to take away powers from local authorities. Is this opening the door to take away a greater level of service from local authorities? They have already lost control of water and their position is being undermined in many other areas. Are we further undermining the power of local government in this respect or is this just an opportunity to operate shared services and therefore reduce costs through bulk buying? I have no problem with that but if this is the beginning of a process of removing the roads function from local authorities, I would have a problem with it.

Deputy Dessie Ellis: On the face of it, to merge the Railway Procurement Agency, RPA, and the National Roads Authority, NRA, is a reasonable and sensible suggestion. Sinn Féin will not oppose the Bill, although we will consider possible amendments to different aspects of it. Our transport infrastructure should, in as much as much as possible, be joined up and work in harmony to provide the best service for commuters, businesses and the general public in going about their daily lives and business. To combine the knowledge, expertise and experience of the many very qualified people working in both these bodies is unlikely to be of anything other than a benefit to the development and delivery of infrastructure projects into the future. With many of these issues the devil can be in the detail and so plans must be proceeded with carefully, stakeholders should be consulted and there should be minimum disruption caused to workers and existing projects.

The idea of merging the RPA and NRA came from Mr. Colm McCarthy’s bord snip report; at least, that is what I believed until I heard the Minister’s comment that he had suggested it in the past. The report proposed a raft of measures which, if implemented fully, would have torn the country apart. I am thankful that despite some similar inclinations in the ideology of this Government, the bord snip recommendations have not been applied to the letter. In this case, Mr. McCarthy’s recommendation was good, but this is mostly from the point of view of making a better body which would better serve our needs; Mr. McCarthy’s reasoning was purely to cut costs and only following an impact assessment was it confirmed that real benefits could be made from this move beyond the short term and in all to often misleading savings figure. This Government has shown itself not immune to using crass and false figures to sell ideas instead of relying on convincing on the basis of merit. We saw this most perfectly exemplified in the Seanad referendum poster which did a lot of damage to the credibility of the “Yes” campaign.

Since the bord snip report, many of our State bodies have been considerably cut and slimmed
down. This is very definitely the case with the Railway Procurement Agency, which has lost 115 employees over the past three years. To achieve the minimum saving mentioned by the Minister of €3 million, a reduction in staffing of 30 is required but where do these redundancies come from, what positions are being made surplus to requirement, is there potential for redeployment of these workers, how will that be implemented and if there is no redeployment how much will these redundancies cost? These are all questions we need the answers to so we can better decide the real potential savings from how this Bill lays out the merger. Despite obvious benefits, it is not an excuse to proceed with the merger in just any way the Government decides, as it must be done carefully to ensure that benefits are not unduly offset by the negatives or other problems which could arise.

Everyone can agree that the idea that the new body would be able to significantly cut down on consultancy fees is a good thing. There is a need for a move away from a culture of throwing money at consultants to do work, which in some cases is unnecessary and in most other cases could be done in-house or for much less. The recent scandal over payments to consultants for work for Irish Water has the public mind focused on these issues and so the idea of cutting these costs would be very welcome. In some ways it might seem strange that the new unified body will not have a new name but in the short term the savings this brings are preferable to potential public confusion. Irish Water’s logo is very simple and could have been created by any second year multimedia student but it cost €20,000, so any chance of avoiding such waste should be taken. This practice has not been adopted not because there were no in-house people to do the job but because a culture built up in the Fianna Fáil years which was all about throwing money at things, all too irregularly focused on the real needs of society which these bodies are to provide.

Currently we have many issues facing us in transport infrastructure. The Luas cross-city project must be delivered in a timely and efficient manner, and its success is essential to the further development of our capital and its public transport network. That is not to say it is a perfect project, as the disruption which the project will cause could have been avoided with a better plan. The failure to link the two lines on the south of the city is a great disappointment. We continue to operate without rapid transit to the airport. Dublin Airport is unusually close to the city centre for a main airport and this should be made an advantage as much as possible. Currently, public transport options for travelling to the airport are limited to shelling out for an express bus like the No. 747 or paying nearly €2.50 for a bus to be taken half-way around Santry. I doubt many tourists or business people visiting Ireland are particularly eager to spend an extra 15 minutes on the bus so they can get a good look around the Beaumont area before reaching the city centre. The new transport infrastructure service must work to deal with that very big gap in our system. The talk of the Swiftway rapid bus service is promising, but it sounds like a major project. In the past major projects have been delayed time and again. We all remember from the late 1990s the graphics of Luas trams passing College Green. The Swiftway service should be a public service operated by CIE.

We have shown that public transport can turn a profit if it is well run. The Luas, despite its limitations, has been well run and its niche market has ensured profitability. Unfortunately, much of the profit has gone into private hands, as we have allowed it to be run by private interests. Not all public transport services can or will be profitable. As transport is an essential public service, we must allow any profit to help pay for losses elsewhere in order that there will be an accessible system for as many people as possible. That is why Fine Gael’s desire to privatisate bus services is so worrying. As Fianna Fáil started with the banks and Fine Gael continued, we
Another major challenge for the new body is the road network. We have many expensive tolls for roads long since paid for. On other roads where numbers have fallen, we have been subsidising toll companies. The Minister has said he will not allow this to happen again and I hope he is sincere in that regard. He should, as soon as possible, end the subsidisation of private toll operators and start to use the proceeds from tolling for the upkeep of roads and the removal of certain tolls.

The merger of the two bodies gives rise to issues concerning pensions, pay, the loss of jobs, the transfer of assets and the possible off-loading of some buildings and other functions. I am sure the trade unions have had a good input. As I said, the merging of two boards makes sense. The Minister’s indication that the public will have a greater role in State boards is important. I am in favour of accountability to the Committee of Public Accounts, which is a very good idea. I pay homage to the staff of the Railway Procurement Agency and the National Roads Authority, with many of whom I have worked during the years. I look forward to the progress of the Bill.

Debate adjourned.

Topical Issue Debate

Health Services Provision

Deputy Pat Deering: I thank the office of the Ceann Comhairle for allowing me to raise this important issue for my constituents in Carlow and everybody else. I thank the Minister of State, Deputy Alex White, for attending.

In recent years there has been a very efficient and comprehensive radiography service based at the old mental hospital, St. Dympna’s, in Carlow. The service was reduced some years ago to three days each week to facilitate the acute hospital in Kilkenny with a promise that it would be restored to a five day service in due course. The main advantage of the service was that people could walk in from the street, having been referred by their doctor, to have an X-ray without having to go to an accident and emergency department, thereby clogging up the system in Kilkenny. This is important. The service was important to older and younger people, as they did not have to be transported to the busier hospital in Kilkenny.

Unfortunately, the radiographer has now retired and there is no service at present. I have been assured by the HSE that the position will be advertised and that a process is being put in place to try to fill the role. Unfortunately, in the meantime there is nobody covering the important service, thereby putting more pressure on the service in Kilkenny. We do not want to clog up that service and need to have more people looked after at local level. Will the Minister of State fast-track the recruitment process? The position is not new; the original position still remains and I ask the Minister of State to fill it in the near future.
There is a lack of early intervention services for children with disabilities in the Carlow area. Currently, there is no physiotherapist or paediatric physiotherapist in the area. This is very disappointing for those with disabilities. The number of occupational and speech therapists being provided for the Holy Angels Daycare Centre for children with disabilities is less than adequate. Children are being seen once every two years for a formal occupational therapy review and every 18 months for a speech and language therapy review. All children have assessment of needs statements clearly stipulating the services they require. However, where early intervention is concerned, this is totally inadequate and leaves children at a severe disadvantage. I have been contacted by a vast number of doctors in the area and parents of children who are very concerned that children are not getting the services they require. Will the Minister of State assure me that the positions of paediatric physiotherapist and occupational therapist will be filled in the area in order that the children suffering from disadvantage and with disabilities will have the same opportunity as others?

Minister of State at the Department of Health (Deputy Alex White): I thank the Deputy for raising the issue of health services in the Carlow area. The HSE provides a wide range of primary, community and continuing care services in Carlow. They include long-term residential and rehabilitation services for older people, a step-down transitional care unit providing palliative and respite care, mental health services and primary care services, including an out-of-hours general practitioner service. Sacred Heart Hospital in Carlow provides long-term continuing care and residential and rehabilitation services for older people, while Carlow District Hospital provides a range of services, including step-down transitional care. Mental health services are provided, including acute day services and community mental health services, at St. Dympna’s. St. Luke’s General Hospital, Kilkenny, is the acute general hospital for the Carlow area. It is a 270-bed hospital that provides a range of inpatient day-care and outpatient medical and surgical services for the population. Consultant geriatricians from the hospital provide day hospital outreach clinic services and rehabilitation support in Sacred Heart Hospital.

With regard to radiography, an issue the Deputy raised specifically, the GP radiography referral process for Carlow and Kilkenny is centralised in the X-ray department at St. Luke’s General Hospital. As part of service reorganisation and in order to facilitate safer services for patients, all urgent X-ray referrals are undertaken in St. Luke’s General Hospital. Non-urgent elective GP referrals are undertaken St. Dympna’s in Carlow. This facilitates improved access to diagnostic services for the Carlow population. All X-rays undertaken at St. Dympna’s are transmitted electronically through the nationally integrated medical imaging system to St. Luke’s General Hospital where they are reported on by the consultant radiologist. In 2013, 2,971 patients attended the X-ray service at St. Dympna’s. Following the recent retirement of the permanent radiographer at St. Dympna’s, X-rays are provided through the radiotherapy service at St. Luke’s General Hospital. A recruitment process is under way to fill the post.

The Deputy raised the issue of paediatric physiotherapy services. The HSE provides services for children up to the age of 18 years who present with complex needs. I can confirm that a paediatric physiotherapist works as a core member of the early intervention team for the area. This is a multidisciplinary team that includes other professionals such as a speech and language therapist, an occupational therapist, a psychologist and a paediatrician. The team works together with children aged up to six years who have a physical or an intellectual disability. The team also works with the families of these children.

The HSE has indicated that there has been a temporary deficit in staff numbers in the paediatric physiotherapy service overall in Carlow since November last year. This was due to a com-
bination of factors. Approval has been given to fill one vacant post and the recruitment process is under way. In addition, the physiotherapy manager and physiotherapist for Carlow-Kilkenny are undertaking a comprehensive review of outstanding cases with a view to ensuring that these are prioritised on the basis of clinical need. I am assured that the HSE will explore all options, where possible, to support paediatric physiotherapy service provision in Carlow.

In conclusion, this Government is committed to ensuring that health services are provided as close to home as possible. Where service issues arise, such as the two issues raised by Deputy Deering, the HSE will continue to work to address these and support service provision.

Deputy Pat Deering: I thank the Minister of State for his comprehensive reply. I do not want to be negative because I am well aware of the excellent facilities that we have in Carlow. Even though we do not have a major hospital in Carlow, we do have great facilities which myself and my late father have used in recent times. The district hospital is a great step-down facility which takes a lot of pressure off the hospital in Kilkenny and the same is true of the Sacred Heart Hospital.

The Minister of State pointed out that 2,000 X-rays were provided in Carlow last year, which is a very large number. If those 2,000 X-rays had to be carried out in Kilkenny, that would put an awful lot of pressure on the facilities there and would clog up the system, which we do not want to see. I am glad the Minister of State has given a commitment that the filling of the post will be fast tracked and that a radiographer will be in position in the very near future to handle potentially another 2,000 cases this year. Otherwise, we will see a situation where queues will develop in Kilkenny, putting extra pressure on those facilities.

Occupational therapy and paediatric physiotherapy are very important for children with disabilities, as I said earlier. It is essential that such children can access these services when they require them so that they will not be at a disadvantage for the future. I have personal experience in this regard and know that if children do not have these services early in their lives, they will find it very difficult to catch up later on. Again, I ask the Minister of State to ensure that these positions are put in place in the very near future to ensure these children will have the same opportunities as everybody else.

Deputy Alex White: I fully acknowledge that there are deficits within the paediatric physiotherapy service which have arisen as a consequence of sick leave, maternity leave and a number of vacant posts. I have addressed the issue of one vacant post already but I take what the Deputy has said about the importance of early intervention very seriously. I understand the Deputy’s point in that regard and acknowledge what he has said. Everything that can be done, within our power, to expedite the provision of these services and the filling of posts, within the constraints that exist, will be done by the HSE and I can give the Deputy an assurance in that regard.

In respect of the provision of a radiography service, the Deputy is correct in what he has said about the excellence of the services that are provided. The particular post referred to by the Deputy has been identified locally as a critical post for filling. The process to progress the backfilling of that post is underway and is a priority.
Deputy Jack Wall: I thank the Ceann Comhairle and the Minister for taking this Topical Issue. I ask the Minister to report to the House on the progress made on an inter-governmental agreement that will be necessary to allow for the development of trade in green energy with Great Britain and-or the European mainland. Such an agreement must be put in place to ensure that this project can proceed.

Given media reports and various comments made in the House of Commons, it seems that there are widely differing views on the issue of energy generation in the United Kingdom including support for fracking, nuclear energy as well as possible agreements with other EU countries, such as France. In that context, how realistic is it to believe that we will reach an agreement with the United Kingdom on this matter? Are negotiations still progressing and if so, at what pace? Are there deadlines to be met in this regard and if so, what are they? Are the negotiations dependent on what is happening here? There are meetings taking place all over the country regarding both EirGrid and the development of wind farms. People are calling for a review of the planning guidelines, variations to county development plans and so forth. They are asking when planning applications will be submitted.

Other than the normal planning procedures, as outlined by the Minister of State at the Department of the Environment, Community and Local Government, will public consultations take place regarding new wind farms? Will they be subject to environmental impact assessments? Can the Minister confirm that such developments will be in full compliance with the Aarhus Convention? Plans are afoot to develop ten wind farms here, 20 there, another five down the road and communities are absolutely terrified of what is going on. I ask the Minister to confirm that wind farm projects which will develop energy for export will be confined to State-owned lands, either those belonging to Coillte or Bord na Móna. If we could have that assurance, it would alleviate some of the concerns of so many local communities. Bord na Móna announced its proposals recently and referred to having a partner to develop those proposals. Immediately, concerns were raised regarding who the potential partners might be and how they might be selected. If agencies such as Coillte and Bord na Móna are involved in such projects, will cost-benefit analyses and environmental impact assessments be carried out?

Are there any EU directives governing such projects? Is there any EU funding available to advance them and if so, is it the Department of Communications, Energy and Natural Resources which would apply for such funding? Would such funding be dependent on adhering to planning regulations determined by the EU or would An Bord Pleanála be the relevant authority in that regard?

Media reports about companies interested in developing such projects have referred to the cabling being placed underground. Is this the case? Would such cabling be provided by the suppliers, that is, the wind farms, direct to the United Kingdom or would substations such as Dunnestown in Kilcullen be used? What part does the EirGrid Grid 25 project have to play in all of this? We are continuously being told that it has no part to play but reports consistently state that EirGrid was established because of these wind farm proposals. What is the truth in this case? I hope the Minister will report to the House on the role of EirGrid in this regard. I also ask him to update us on the review body to be chaired by Ms Justice Catherine McGuinness. Will the Minister also explain the difference between the wind farm export project and interconnectivity? Does interconnectivity only refer to connection to mainland Europe and if
so, are there any proposals in this regard?

5 o’clock

The Minister is aware of the concerns raised by many Deputies and the many groups he has met right across the country. A total of 35,000 submissions were made to EirGrid and as many again will be made if submissions are sought on wind farms. The concerns being raised relate to the protection of communities, the environment, family homes and local industry. There is a huge problem in my area and the bloodstock industry is tormented and annoyed by the proposals. Its representatives came to the House last week to meet with my colleague, Deputy Stagg, and we have been to many meetings in the constituency. The points I raise have been made at the countless meetings that take place. I urge the Minister to respond to the questions asked and to shed some light on the issues raised.

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte):

I apologise for being late into the House.

I am grateful to Deputy Wall for giving me the opportunity to comment in the House on the possibility of a wind export project between this country and Britain. Because of the controversy surrounding the necessary build-out of the grid to meet our own domestic energy goals, the entirely separate wind export project is frequently misrepresented. The wind export project has also become confused, as Deputy Wall has said, with interconnectivity and with the inevitable thrust of EU policy towards greater integration of the energy market. The days of the island energy market are over, and interconnectivity works both ways. Interconnectivity has happened, is happening and will happen whether the contemplated export project gets off the ground or not. The need to have a modern transmission system that is fit for purpose will not go away if the wind project does not get off the ground.

With regard to export markets, the House will know that in January 2013 the UK Secretary of State for Energy and Climate Change, Ed Davey, and I signed a memorandum of understanding on energy co-operation. This entails a consideration of how Irish renewable energy resources, onshore and offshore, might be developed to the mutual benefit of Ireland and the UK, and a decision as to whether it is beneficial for both countries to enter into an intergovernmental agreement, IGA, on renewable energy trading.

The work programme on an IGA, which is under way since last year, includes economic analysis, policy and regulatory questions and grid issues. A wide ranging and thorough cost-benefit analysis is nearing completion. As I have said many times, for Ireland to enter into any intergovernmental agreement there would have to be clear, realisable and significant benefits accruing to the country. Any potential rewards would have to outweigh all potential risks. The foreseen benefits would need to include investment, jobs and growth. Local authorities would have to benefit from rates inflows. Local communities would have to benefit from appropriate community gain proposals. Ireland Inc. would have to benefit from appropriate returns to the Exchequer and infrastructure to underpin economic and social development. Subject to the ongoing cost-benefit analysis and agreement regarding the potential benefits to Ireland, the ambition is to settle on an intergovernmental agreement in 2014. A tentative deadline was in mind which was this spring. Put simply, as Ed Davey said at the signing of the MOU, if the numbers stack up, we can do a deal. If not, there will not be an intergovernmental agreement.

Any new wind farms, whether for the domestic or export market, will be subject to the
planning Acts, including the requirements for public consultation, irrespective of the source of funding for their construction. Currently, the Department of the Environment, Community and Local Government - in conjunction with my Department and other stakeholders - is consulting on a targeted review of its wind energy development guidelines in relation to noise, proximity and shadow flicker.

Separately, I am putting in place a clear national planning policy context for renewable energy export which will guide An Bord Pleanála when considering proposals of a significant scale for wind energy export. The renewable energy export policy and development framework will be developed over the next 12 to 15 months and will provide the opportunity to integrate relevant EU directive requirements, trans-boundary dimensions and stakeholder participation within the context of a national framework. The stage 1 public consultation concluded in November 2013. That was the first of three consultations that will be held at key points in the development of the framework, all offering interested parties opportunities to present their views on how we should develop national policy to realise the potential benefits of the export of renewable energy.

My job is to endeavour to open up a new traded sector with Britain and, in the process, to facilitate job creation and wealth generation for Ireland. It is not my job to favour one developer or another, but I agree with Deputy Wall that it is difficult to envisage the maturing of such a project without the utilisation of State lands. That would also have the merit of minimising intrusion on local communities.

I do not know how appropriate it is, a Cheann Comhairle, for me to comment on the very robust debate that is under way in the United Kingdom or its recent decisions concerning fracking, except to say that, like Deputy Wall, I am aware that it is indeed a very robust debate.

Deputy Jack Wall: The proposed agreement is premature if the Minister is to put in place a national planning policy for renewable energy export. Surely we must do what we want. We all wish to see jobs created in the midlands, where there has been a deficit of employment over a long period. We want jobs and we must use every possible avenue in that regard. The Minister accepted that we do not have a clear national planning policy. In that case, how can we offer to trade energy with the UK? It seems that the UK is now divided. I accept that the Minister does not wish to comment on the situation, but in order to go forward we must see a clear indication that there will be an agreement. Otherwise it is a waste of energy. Should we not consider the alternative in terms of what we can do to connect to the grids of mainland Europe, where more agreement could be sought? Every community in my constituency has expressed concern. On one side I have EirGrid and on the other side I have wind farms. There are those of us in the middle, thankfully, who still talk about football. There is huge concern and we must allay people’s fears. We cannot continue to torment communities for another year if we are not in a position to continue with energy trading with the UK. From what the Minister said, it appears that the agreement is premature. Given the position of the United Kingdom, we should review whether we should sign up to such an agreement.

Deputy Pat Rabbitte: I hope I can clarify the position. I do not agree that it would be premature if an agreement is concluded. Its purpose is to facilitate the initiation of a traded sector in green energy. Causing it to happen is a different matter. The law would then exist to permit it happening if X and Y fell into place. I agree with Deputy Wall that it would be premature to conclude an agreement before the national policy planning framework is in place. I have made it plain during Question Time in this House that if any developer is contemplating putting in a
planning application before the national policy planning framework is in place, it will not be dealt with. Deputy Wall can be reassured on that point - the national policy planning framework will be in place before any planning application is entertained from any developer, public or private. The Deputy referred to Bord na Móna’s recent announcement about the creation of a digital hub. For a number of years now Bord na Móna has been considering what it will do with a couple of hundred thousand acres of cutaway bog. It has been considering how to develop a new mission for the company. It could be a central player, but the same rules would apply to it and it would have to go through the national policy planning framework as well.

**RTE Compensation Payment**

**An Ceann Comhairle:** The next item is under the names of Deputies John Lyons, Jerry Buttimer, Michael Colreavy, Clare Daly, Luke ‘Ming’ Flanagan, Catherine Murphy and Mick Wallace, regarding RTE’s reported compensation to the Iona Institute and others. Deputies will have two minutes each and one for a supplementary. I ask Deputies to be careful of what they say and to remember what is allowable under Standing Orders.

**Deputy John Lyons:** I appreciate the opportunity to speak on this important issue of national interest, given the number of people who have not only contacted RTE but many Members about it. There is a massive public discourse going on about this particular issue and a momentum has built up. It is important that in this Chamber we get a chance to have some sort of a discussion around this issue.

Citizens must have confidence in RTE to moderate and facilitate robust debate on issues of social concern, particularly at this time on issues around LGBT rights and equality. After “The Saturday Night Show” several weeks ago, RTE’s decision to pay out a reported €85,000 in compensation has severely damaged public confidence in our national broadcaster. We need to get to the bottom of this. We are at a very important time with LGBT issues in Ireland. We have come so far and over the next two years we will debate some important issues that will, please God, bring the same rights to every citizen on this island, rights some do not have at this stage. To do this, we need to have a national broadcaster which allows robust debate and for people to be challenged around their views.

Was there one person in charge or one point of contact from the moment RTE decided to deal with this issue until it paid out this compensation? On what basis did it decide to pay out this compensation? The RTE managing director’s press release stated the legal position was far from clear. If the position was far from clear and RTE had various legal advices over a number of weeks, stating it should not pay to that it should pay, on what basis did it decide to pay this money out? I know the legal advice RTE used to pay out this money is privileged and, accordingly, we are not entitled to it. However, there has to be some political will to find out on what basis this compensation was paid out in the national interest. I believe RTE was wrong to pay out this money on what was essentially an anti-gay prejudice issue on which people were challenged.

**Deputy Jerry Buttimer:** The sequence of events arising from “The Saturday Night Show” give rise to serious concerns on how public discourse is conducted, the language we use, the labels we apply to others and, more important, the role of our public service broadcaster. I believe RTE was erroneous and wrong in what it did in this case. It folded too quickly. Who advised the broadcaster on this? What was the nature of the advice? Were those who gave this advice
involved in other organisations? Our public service broadcaster has an obligation to provide balanced, responsible and fair transmission of social matters and issues. As a public service broadcaster, it must facilitate fair and balanced debate on matters of public importance. Central to this obligation, I believe, must be an entitlement of these participating on programmes in RTE to voice honestly held opinions and make fair comment. RTE must act as a fair arbitrator and stand by the right of people to voice honestly held opinions on its platforms. Otherwise, it acts to undermine its public service remit.

There is a contrast with what RTE did in this case and what happened in the Abbey Theatre several days ago when the whole issue of homophobia and LGBT rights was fully explored. RTE, on the other hand, parked a debate on this at the first opportunity. What would happen if we were discussing racism? If somebody was accused of racism, would that have to be defended too? As Deputy Lyons rightly said, we have made many advances in the area of rights for gay people in this country. Where there is homophobia, however, it must be challenged and stood up to. I hope this debate today will lead to a national discourse on this matter leading up to the referendum on marriage equality.

**Deputy Michael Colreavy:** The appearance of Rory O’Neill, aka Panti Bliss, on RTE’s “The Saturday Night Show” has sparked a debate on homophobia. Rory O’Neill identified several individuals as having homophobic beliefs. I could go into a debate on what these people have said and written and how it could be identified as homophobic. However, I am willing to rely on Rory O’Neill, and his alter ego Panti Bliss, as a leading figure in Ireland’s LGBT movement, to know what homophobia is. I am a straight, middle-aged man, so will not pretend that I know how members of the LGBT community are made to feel every day when faced with articles in newspapers, comments on the radio, abuse on the street and even accusations within the Chambers of this institution.

What I will discuss is RTE’s censorship of Rory O’Neill and the debate surrounding homophobia. The Government has promised a referendum on marriage equality in 2015, following a recommendation by a majority of the Constitutional Convention to amend the Constitution to allow same-sex marriage. Those who publicly advocate inequality cannot hide behind defamation legislation when they are called out on the views for which they seek to gain popular support. The demand of significant sums of public moneys by such individuals or groups in place of a right to reply sets a deeply worrying precedent.

This country has had a poor history of censorship. For many years some of our great authors suffered at the hands of the censorship board. Section 31 kept Republicans such as myself off the airwaves for many years. RTE has a tradition of facilitating this censorship. As the public service broadcaster, it is deeply worrying to see this rear its head again. It should not be the case that those who call homophobia out for what it is should suffer censorship. The pay-out from RTE has potentially huge implications for the way in which the debate on marriage equality is carried out. As RTE receives funding from the taxpayer, the public have a right to know what legal advice it received before making this pay-out.

**Deputy Clare Daly:** As taxpayers, citizens and public representatives, it is important we put on record how appalled we are by what RTE has done in this case. I believe this will be a defining moment and the Minister for Communications, Energy and Natural Resources will be judged on how he deals with this and what happens next.

At the core of this are issues of freedom of expression and basic human rights. As some-
body who has had some horrible and inaccurate things said about her in the media, I know how difficult it is to get them corrected. That makes it doubly unbelievable how quickly RTE handed over money in this case. Nothing inaccurate was said. That is the critical point. The people and the organisations that benefited from this pay-out have clearly argued that LGBT people should be treated differently. That is nothing else other than homophobia. To call it anything else is, in my opinion, an abuse of language.

Brendan O’Connor in the apology offered said it is an important part of democratic debate that people should be entitled to hold dissenting views on controversial subjects. That means, however, one also has to have the right to express a different opinion on that dissenting view and call it by its proper name. As Deputy Buttimer said, if someone is known to be a racist, has expressed racist views, and we call them a racist, are we to then to apologise to them for calling them by the right name?

This issue has enormous consequences for society. Parliament must send a strong signal that we will not tolerate homophobia. Unless this issue is addressed, the only conclusion that people will draw is that if one has big pockets, then one can use them to stifle debate and control opinion. Irish people do not want to live in such a society.

Deputy Luke ‘Ming’ Flanagan: Unlike some Members here, I am not in any way surprised about RTE being biased nor have I learned anything new about it through this case. This is one of many cases in which it has shown its bias. Sadly, while it is meant to be a public service broadcaster, it appears to have its own agenda on many different issues. Hopefully, something good will come out of this and one good thing to emerge is that people like Deputy Colreavy or like me, from counties Leitrim or Roscommon, can proudly state in this Chamber that they wish to defend gay rights. Forty years ago, had one done what Deputy Colreavy did here today, one would have been worried going home and that constitutes massive progress. It would be nice if there were no homophobia but pretending there is not does not make it all go away. The speech made in the Abbey Theatre explained it so beautifully and that while we are all homophobic - we are - it is a case of working on it and trying to learn about the whole situation and fighting against it and in the end, everyone gets his or her rights. Sadly, however, some people are more homophobic than others and some people do not appear to make any effort to deal with that homophobia. It is sad that one now is being denied even the right to use the word. Moreover, I discovered this morning that another word has been banned by RTE. One is not allowed to use the word “Ballyhea” either. This is a gay rights issue too because, guess what, the €70 billion they robbed from us in Europe affects people who are gay, as well as straight.

Deputy Catherine Murphy: For the past couple of weeks, some Members have felt they were living in a parallel universe. A huge debate has been taking place online through sites such as TheJournal.ie, Broadsheet.ie, as well as on Twitter and Facebook, with the mainstream print media largely being absent from that debate. Yesterday, the head of television in RTE explained to staff the reason the broadcaster apologised and paid €85,000. This screams to me of discontent within RTE. It is obvious that many of the station’s personnel know there are times when defending the principles behind public service broadcasting ranks higher than the fear of litigation. John Waters, Breda O’Brien and the Iona Institute all can be described as opinion formers. They have made themselves part of the public discourse - I stress public discourse - on such issues as same-sex marriage and frequently present gay people’s relationships, as a starting point, as being lesser. For this to go unchallenged is about setting the parameters of the debate to their advantage and as a referendum will be held next year, that is of critical importance timewise. Why the rush by RTE to apologise and pay? Was it because it was aware those complaining had
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deep pockets and the ability to amount a credible legal challenge? If so, one must ask how those pockets came to be so filled. The second issue is that one of the complaints came from John Waters, who then was a board member of RTE’s regulatory body, the Broadcasting Authority of Ireland, BAI. Is it not a massive conflict of interest and was RTE under additional duress? Why did the BAI suddenly change its code of conduct on 22 January, the same day on which RTE agreed the payout? Is this the reason John Waters resigned from the BAI on 24 January or did the Minister ask him to resign? Given the massive payout and the obvious conflict of interest, does the Minister believe, as do I, that he should return that money to RTE?

Deputy Mick Wallace: I also watched Panti’s speech at the Abbey Theatre and it is very powerful. One would think RTE had an obligation to facilitate free and open debate but in this instance, it failed miserably. Some people now are more offended by the word “homophobia” than they are by homophobia itself. This is censorship. In a press release last week, the Minister stated that homophobia “is too loaded a term to be used to categorise those who hold contrary views on what is a matter for legitimate public debate”. I will point out that it is not for heterosexuals to define what is homophobia. We do not have the right to tell gay people what does or does not constitute homophobia. This was summed up eloquently by Panti Bliss in her Abbey Theatre speech last weekend, when she stated:

So now Irish gay people find ourselves in a ludicrous situation where not only are we not allowed to say publicly what we feel oppressed by, we are not even allowed to think it because our definition has been disallowed by our betters. ... [T]he word “homophobia” is no longer available to gay people. Which is a spectacular and neat Orwellian trick because now it turns out that gay people are not the victims of homophobia - homophobes are.

Does the Minister think these contrary views, as he calls them, have no impact? Does he believe there is no link between discriminatory comments about gay people and physical attacks on gay people? From where does the Minister think those who commit physical acts of violence against gay people get their ideas? To quote Breda O’Brien, “equality must take second place to the common good”. Does the Minister honestly think these words have no impact on gay people?

Deputy Pat Rabbitte: First, I thank the Deputies for raising this issue and I welcome the opportunity to discuss it in the House. Moreover, I acknowledge the range of Deputies across the parties, as well as Independent Members, who have expressed in the Chamber this evening a broadly similar view. I stated recently that personally, I would not use the term “homophobe” to describe those who disagree with me on issues of gay equality in general or gay marriage in particular. I thought it was too loaded a term to be used to categorise all those who hold contrary views on a matter for legitimate public debate. As Deputy Wallace has just noted, some people I know and whose views I respect may have misinterpreted those comments. They state I do not appreciate the subtle and insidious nature of homophobia. I thought I was making a somewhat different and subtle point of my own.

Issues like this are informed by deep-felt religious, moral and social considerations. Opinion undoubtedly will be divided and the best one can hope is that people debate the matter calmly, in good faith and with respect for opposing viewpoints. However, it is of no assistance at all if we lump together our opponents, all those who will vote “No”, by borrowing from the lexicon of liberal intolerance.

I also stated last week in the same statement that I hoped people who hold themselves out
as commentators on, or contributors to, public debate fully appreciate that debate can be robust, heated, personal and sometimes even hostile. Politicians are expected, including I suspect by some of the litigants here concerned, to function in such an environment as normal. Consequently, why do they apply a different norm to themselves, although at least some of them are not averse to name-calling politicians on occasion? It would be a matter of serious concern were recourse to the defamation laws to have a chilling effect on public debate on this issue in the lead-in to the referendum. While the defamation laws are outside my remit, the Broadcasting Act is not. At present, section 39 requires every broadcaster to ensure that nothing is broadcast that may reasonably be regarded as causing offence. That seems to me to be an unfeasibly rigorous approach. We all know how easy it is for some people to be offended, even where offence was not intended and is not objectively ascertainable. I intend to propose miscellaneous amendments to the Act shortly. Among them, I now am considering an amendment that would require broadcasters to avoid causing undue offence. That seems to me to be more objective and more in tune with the realities of public debate.

As everyone knows, RTE is an independent public service broadcaster. It is obliged to be responsive to the interests and concerns of the whole community, to reflect the varied elements that make up the culture of the Irish people and to uphold the democratic values enshrined in the Constitution, especially those relating to rightful liberty of expression. The Broadcasting Act 2009 provides that the company is independent in pursuance of these objects. I, as Minister, have no role in managing editorial matters, making decisions around programming or dealing with litigation claims. I have no intention therefore of interfering in RTE’s management of this specific case. I have read yesterday’s statement from the managing director of RTE Television. RTE has a crucial role in the conduct of public debate and it remains fully committed to ensuring the full and free exchange of information and opinion on all matters of legitimate public interest.

While RTE is answerable as a public body, it does not, and should not, operate under political supervision, either at ministerial or parliamentary level. I have seen the invitation to RTE from the Oireachtas communications committee. Provided the engagement takes place at the general level of principle, without reference to the specifics of individual cases, I fully agree that the committee is entitled to hear from RTE an outline of its approach to libel complaints in the context of its obligations as a public service broadcaster. The committee is also entitled to satisfy itself that RTE will continue to discharge its public service obligations without fear or favour. However, it would not be desirable for the committee to become embroiled in the management of particular claims. Ultimately we rely on our broadcasters to provide a forum for matters of public debate and, indeed, controversy and to ensure that, when these take place, the necessary level playing field is provided for all concerned.

**Deputy John Lyons:** I thank the Minister for his response. Two people in here know what homophobia feels like, what it is like to be called a queer, a fag, a gay. Just before Christmas I walked from my house around to the Centra where a bunch of teenagers called me gay or some other name they call us. I thought I was living in a society where this stuff is no longer acceptable. On “The Saturday Night Show” Rory O’Neill challenged people on these issues and called it what it is. When it walks like a duck, quacks like a duck and looks like a duck, it must be a duck. RTE was completely wrong and bang out of order when it got numerous types of legal advice saying perhaps it should not give out any sort of compensation. RTE got it wrong. Everybody in the public knows it got it wrong. RTE needs to come out and let us know that it got it wrong. Otherwise there will not be confidence in our national broadcaster to mediate any
debate with confidence, particularly around issues that affect my life, the people who love me and love all the other people who are not treated properly in this society.

**Deputy Jerry Buttimer:** I fully accept the Minister’s position regarding involvement in the day-to-day management of RTE. However, we as a society and this Parliament have a role to play in the national broadcaster. RTE got it completely wrong. It folded its tent. This week in the Oireachtas we were told as gay people that it is a matter of “social re-engineering” by the “gay ideological movement”. I am quoting from a Member of the Seanad. I speak not just as a gay person but as a member of society who wants to be treated equally. I have been beaten, spat on, chased, harassed and mocked, like Deputy Lyons, because of who I am. I was born with a gift given to me. I have spent most of my life struggling and am finally at a place in my own country, which I love, to be accepted. The support from my colleagues in this House and from the Ceann Comhairle is a demonstration of how our society has come forward, but in a tolerant, respectful debate I will not allow people who spout hatred and intolerance to go unchecked.

**Deputy Michael Colreavy:** The Minister said it is not up to him or the Parliament to oversee the day-to-day operations of RTE. Yes, but if this Parliament and the Minister do not say that was wrong, if we do not identify it as being wrong, we support it and it will happen again and again. There will be people out there waiting to be offended, doing automated word searches to find offence. I know people, many of whom would have been far more seriously aggrieved at what was said to them on RTE, but who did not rush to claim money. This Parliament needs to point out that this was wrong and we do not want to see it happen again.

**Deputy Clare Daly:** I am a little disappointed with the Minister’s response because he seems to have tried to justify some of the comments last week and maybe he has missed some of the points. Nobody has said these people do not have the right to express their opinions. The issue is that other people have the right to call it by its proper name and challenge that without being censored. In his statement the Minister said it would be a matter of serious concern if recourse to our defamation laws was to have a chilling effect on public debate. We are saying it is a matter of serious concern that this issue has happened and that there will be consequences unless we take action.

I do not know if the Minister saw the Channel 4 programme broadcast last night which linked an increase in violent attacks on gay people in Russia with the Russian government’s treatment of gay people and its explicit homophobia. These actions have consequences and for the likes of Brendan O’Connor to turn around to somebody in his audience last week who told him about being beaten up for being gay and say that is real homophobia is ridiculous. RTE needs to be independent and balanced and the best thing the Minister could do to take society forward on this would be to ask the Department of Education and Skills to make it mandatory that all schools would be allowed to listen to Miss Panti Bliss’s speech at “The Risen People”. Society would be far better if people were to hear that.

**Deputy Luke ‘Ming’ Flanagan:** We are at a point where we could potentially go backwards and forget about all the gains that have been made on this issue over the years, or we could drive it further forward by fighting what RTE has done and getting it to row back on it. That would end up as a good news story overall. While we have won many battles on this, it is still an acceptable term of abuse in a national school in this country to call someone gay. It means there is something wrong with a person, not necessarily his or her sexuality. It is used as a negative term. It is in the secondary schools. An 11-year-old girl took part in a debate in a national school in my town where she spoke in favour of gay marriage and the whole class-
Deputy Catherine Murphy: The fact that this is our public service broadcaster is critical because we expect a higher standard. We expect balance because we pay a licence fee. We expect it to defend the principles of public service broadcasting. If that means taking the challenge of litigation, that must be taken up. It starts with one thing and all of a sudden we find the erosion of a whole lot of principles and rights in terms of debate. In a democracy we cannot accept that. I asked the Minister a number of questions about the code of conduct. It was changed the day the payout happened. There was a resignation the day after. Did the Minister have any knowledge of that? Did he have any involvement in requesting that resignation? Does he see this as a serious conflict of interest by somebody who is a litigant? The money should be paid back because there is a serious conflict of interest here.

Deputy Mick Wallace: The Minister said RTE is an independent broadcaster. RTE depends on the good favour of the Government of the day and on big business for advertising. I do not find it so independent. Today I received an e-mail from Ross Golden Bannon. He said:

Our community and our supporters now face into a campaign for the referendum on marriage equality in 2015 with one hand tied behind our backs. The most distressing part for those of us now silenced from using the word homophobia is that the mainstream media does not see how it has been played with the legal hand. I heard Colm O’Gorman say today as a result of RTE’s capitulation it is going to be more difficult to challenge positions adopted by those who oppose equality, more difficult to question if prejudice and discrimination underpin their opposition to a fundamental human right. We would do well to remember that without a properly informed citizenry, there is no democracy.

Deputy Pat Rabbitte: First, let us get the conspiracy theories out of the way. The coincidence regarding the code of conduct has nothing to do with this. I did not see the programme at the time, but I have made it my business to see it since. The first I heard about the issue was when I was advised of the resignation of a member of the Broadcasting Authority of Ireland. I presume he resigned because he envisaged litigation against RTE. I assure the Deputy that anything else is purely coincidental and has nothing to do with that.

It is one thing to express the view that homophobia poisons the water that can nurture violence, as Deputy Daly mentioned in regard to what we saw in respect of Russia. It is another thing to seek to intrude into or ascribe motivation to the RTE decision in respect of the contemplated litigation. The RTE explanation is that it had expert advice - from inside and outside as I understand available to it that advised it did not have a case to defend. As a result, it made the decision it made. It is true that RTE is the public service broadcaster, but it is also true to say it is a commercial company and it made a commercial decision, as it does frequently, in respect of contemplated defamation actions and so on. It is not an exception and it made the decision.

Colleagues in this House are entitled to bring to bear their own judgments on the merits of that decision and whether they would have made the same decision and whether the principles that have been adduced here override reliance on purely commercial decision-making. However, I repeat that the RTE explanation is that this was another file, it got expert legal advice and made the decision it made. I wonder whether in the medium and longer term, in terms of public discourse on such a fundamentally important issue as this, we will have been damaged
by this controversy. It seems to me that this far out from the referendum, it may be no harm at all that these issues have been ventilated now. It is plain that this House is of a singular view. That message cannot fail to go out from here. However, I still stand by my position that I draw a distinction between my intruding in the management of any particular litigation file and my requiring of RTE to in no way resile from its obligation to discharge its public service imposi-
tion under the Broadcasting Act. That is the critical factor as we prepare to put the building blocks in place for the ultimate referendum.

The Dáil adjourned at 5.45 p.m. until 10 a.m. on Friday, 7 February 2014.