

DÁIL ÉIREANN

AN COMHCHOISTE UM GHNÓ, FIONTAIR AGUS NUÁLAÍOCHT

JOINT COMMITTEE ON BUSINESS, ENTERPRISE AND INNOVATION

Dé Máirt, 19 Meitheamh 2018

Tuesday, 19 June 2018

Tháinig an Comhchoiste le chéile ag 4 p.m.

The Joint Committee met at 4 p.m.

Comhaltaí a bhí i láthair / Members present:

| Teachtaí Dála / Deputies | Seanadóirí / Senators |
|--------------------------|-----------------------|
| Lisa Chambers, | Paul Gavan, |
| Billy Kelleher, | Kevin Humphreys, |
| Tom Neville, | James Reilly. |
| Maurice Quinlivan. | |

Teachta / Deputy Mary Butler sa Chathaoir / in the Chair.

Business of Joint Committee

Chairman: Apologies have been received from Senator Aidan Davitt. I propose that we go into private session. Is that agreed? Agreed.

The joint committee went into private session at 4.05 p.m. and resumed in public session at 4.35 p.m.

Scrutiny of EU Legislative Proposals

Chairman: We are now in public session. Following scrutiny of EU proposals, it was agreed that there are no subsidiarity concerns arising from COM(2018) 184. It was also agreed that this proposal does not warrant further scrutiny. It was agreed that COM(2018) 185 warrants further scrutiny. It was also agreed that the committee request an additional note from the Department of Business, Enterprise and Innovation, outlining in more detail its concerns about the penalties provision in the proposal and how it compares with the situation in Ireland. It was agreed there are no subsidiarity concerns arising from COM(2018) 238. It was also agreed that the proposal warrants further scrutiny. It was agreed to request a note from the Department outlining in more detail the conflict between the injunctive relief proposal and the current Irish law. It was agreed that there are no subsidiarity concerns arising from COM(2018) 239. It was also agreed that this proposal does not warrant further scrutiny. It was agreed that there are no subsidiarity concerns arising from COM(2018) 241. It was also agreed that this proposal does not warrant further scrutiny.

I propose we suspend the meeting for a moment to allow our guests take their seats. Is that agreed? Agreed.

Sitting suspended at 4.37 p.m. and resumed at 4.39 p.m.

Statement of Strategy 2018-2021: Engagement with the Department of Business, Enterprise and Innovation

Chairman: We are now in public session. I remind members, visitors and those in the Public Gallery to please ensure their mobile phones are switched off or in flight mode for the duration of this meeting as they interfere with the broadcasting equipment even when on silent mode.

I welcome from the Department of Business, Enterprise and Innovation, Dr. Orlaigh Quinn, Secretary General; Ms Breda Power, assistant secretary with responsibility for consumer company law, the Personal Injuries Assessment Board, PIAB, and competition; Mr. Dermot Mulligan, assistant secretary with responsibility for innovation and investment, and Mr. David Hegarty, assistant secretary with responsibility for strategic policy, to the meeting to discuss the strategic statement of the Department 2018-2021, which was published in April. This meeting

presents an opportunity for the committee to discuss the mission and goals identified by the Department over the term covered by the statement.

In accordance with procedure, I am required to read out the following. By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to this committee. If they are directed by the committee to cease giving evidence in relation to a particular matter and they continue to so do, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any persons or entity by name or in such a way as to make him, her or it identifiable. Members are reminded of a long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House, or any official by name or in such a way as to make him or her identifiable.

I remind our guests that the presentations should be no more than ten minutes in duration. The presentations submitted by the witnesses have been circulated to the members.

Dr. Orlaigh Quinn: I am grateful for the opportunity to discuss the Department's statement of strategy. I am very pleased to meet the committee members. I had met some of them previously, but it is an opportunity since my appointment as Secretary General in October 2016 and I look forward to our discussion. I would like to introduce my accompanying colleagues, all of whom are members of the management board. Ms Breda Power looks after commerce, consumer and competition, which covers many of the Department's regulatory agencies. Mr. Dermot Mulligan is the assistant secretary looking after the investment and innovation division, covering the foreign direct investment side and the science and innovation side. Mr. David Hegarty covers the strategic policy division, which encompasses the Action Plan for Jobs for the Department. The management board is relatively small. We are missing three other colleagues who are away on business at the moment. They cover Brexit, trade, workplace relations and indigenous industry.

Our previous statement of strategy, which covered the period 2016 to 2019, was only published in January 2017. However, a new statement of strategy was required, under the Public Service Management Act, following the appointment of the Minister, Deputy Humphreys. This gave us an opportunity to revisit and update our current strategy, which was published in April 2018.

The Department, with six offices and eight agencies and working closely with the local enterprise offices and InterTradeIreland, has a broad remit across a wide range of areas of responsibility. Our strategy summarises the outcomes to which we aspire and actions we hope to deliver under a number of broad goals. I have appended to my statement a list of the offices and agencies of the Department.

Our job is to support the Minister, Government, Parliament and the many stakeholders we represent, both nationally and internationally. I tend to think the work of the Department can be understood as comprising three main areas: enterprise, regulation and workplace relations. That is pretty much everything that impacts on companies in Ireland and working abroad. We also have a significant international role, particularly regarding trade.

The work of the Department is structured across six divisions: indigenous enterprise development division; innovation and investment division; EU affairs, trade policy and licensing

division; commerce, consumer and competition division; workplace regulation and economic migration division; and strategic policy division. Each division is led by an assistant secretary and we meet weekly as a management board to oversee and monitor our progress.

The statement of strategy sets out seven goals. I can summarise them as: facilitating our indigenous enterprises to grow, innovate and deepen export opportunities across all regions of the country and internationally; ensuring that we maintain a pipeline of foreign direct investment with particular emphasis on securing investment across all regions of the country; working with colleagues across all Departments to improve the competitiveness and productivity of the economy; promoting innovation and growth through investment in research and development; ensuring that our regulation facilitates business investment and development, competition in the marketplace, high standards of consumer protection and corporate governance; and safeguarding workers' rights and facilitating a positive industrial relations environment, with well-functioning dispute-resolution mechanisms.

Our strategy aims to ensure that we build on the very strong progress achieved in recent years and sets a vision of making Ireland the best place to succeed in business, delivering sustainable full employment and higher standards of living across all regions of the country.

We acknowledge the increasing complexity in the global economic environment in which the Department, its offices and agencies operate and the international challenges that face us. Economic uncertainty remains high and we have placed a heightened emphasis on ensuring that Ireland's interests are strongly represented and robustly defended in international forums. It is also vital that we work to ensure that enterprise policy and other relevant policy areas, many of which fall in the remit of other Departments, are oriented towards achieving a strong and innovative enterprise sector, sustaining competitiveness and promoting our resilience in the face of challenge.

The decision of the UK to leave the EU and the related global trade uncertainty present immediate and significant challenges for Irish business and for all aspects of the Department's remit. On this we work closely with colleagues in the EU and the World Trade Organization. The UK's exit from the EU will have short, medium and long-term implications across a range of policy areas. It represents a particular risk to some of our enterprise sectors. In many cases, these sectors are particularly labour-intensive, have lower profit margins and have a strong regional footprint. Agriculture is a classic example. This will require varied responses from the Department and our offices and agencies at a policy and an operational level. Our strategy is to ensure the continued growth and resilience of enterprises post-Brexit by supporting companies to compete, innovate and diversify trade, and by working to ensure that we support Government to get the best possible outcome.

Our statement of strategy is underpinned by a number of other key strategies and frameworks. These include Enterprise 2025 Renewed, which we revisited and renewed this year in light of global challenges; our annual Action Plan for Jobs, which was recently adopted by Government; and Innovation 2020, which outlines how we plan to move towards Ireland becoming a global innovation leader, driving a strong, sustainable, high-employment economy and a better society.

As I said earlier, many of our policies are dependent on working closely with colleagues in other Departments. Some of the policy issues that particularly impact on the enterprise agenda, for example, tax, finance, skills, infrastructure, energy and climate change, are the responsibility of other Departments. We work in an outward-focused way and we work hard on ensuring

a collaborative relationship and ongoing engagement with all stakeholders at EU level and nationally here at home, helping us to deliver on our goals.

Our new statement of strategy reflects that a small number of functions have transferred from our Department to the Department of Employment Affairs and Social Protection, mainly in the areas of employment rights policy and related legislation, with effect from 1 September 2017. It also reflects that we have now taken over responsibility and leadership for co-ordinating the digital Single Market strategy from the Department of the Taoiseach.

Throughout the statement of strategy, we have identified clear outcomes and we are committed to working collaboratively with others to achieve those outcomes. Our annual business plans in the coming years are very much focused on the commitments we have outlined. As a management board, we work collectively to monitor and review that statement of strategy.

I have been in the Department for just 18 months. I am very proud of the team that I lead. I have worked in six different Departments in my time. I am very confident the committed and talented team we have, working with all our colleagues in the offices and agencies, will ensure that we deliver on the ambitious goals set out in the strategy.

Chairman: We will now take questions. I ask Senator Reilly to kick off because I know he has to leave shortly.

Senator James Reilly: I thank Dr. Quinn for her presentation. I congratulate the Department on all the work it has done. The employment figures speak for themselves. That the recovery is taking place across the country speaks for itself. Also, it is not a Dublin-centric recovery, as has often been stated, because more jobs were created outside of the Dublin region last year.

I want to take the opportunity to wish the Secretary General well and I look forward to meeting her more in person. I apologise that I must leave to attend a debate in the Seanad.

Deputy Billy Kelleher: I thank the Secretary General for her presentation and wish her well with implementing the new strategy. The Department is new to me, in terms of my role as spokesperson for my party. I will start by making a few observations.

This country is now in a different economic cycle than heretofore and so too is the Department in terms of how it looks at the horizon and beyond. Various Departments oversee competitiveness and the key ingredients of skill sets, training and innovation. Their job is to ensure that we remain competitive and observe all of these disparate policies. That is my observation and is not meant as a criticism. Let us bear in mind that we all get up in the morning with a desire to do our best but sometimes Departments can become siloed. That can happen within a Department and between Departments. For that reason, I instance the skills, the skill sets and skill shortages that are very evident across the economy, primarily in trades, crafts and the wet trades in the construction sector. Work permits have been allocated in recent times for the agricultural sector and the transport sector faces a potential crisis. I do not use the words “crisis” and “shortages” lightly. Problems in the construction and transport sectors will quickly lead to very serious competitive problems.

The Secretary General has said that foreign direct investment falls within the remit of her Department. Amazon has announced that 1,000 additional jobs will be created over the next two years, and mostly in Dublin. These people will have to live somewhere. We must be serious about accepting that we are part of a globalised economy. Our competitors are from within

the European Union and, possibly, from 29 March of next year, a third country located quite near to us will draw from the same labour pool. In other words, people from the European Union who work in the UK may no longer be able to work in the UK and we also have a common travel area. Therefore, Ireland could easily be seen as a place to find skill sets. Our labour market could compete with the UK labour market in the areas of construction, agriculture and in all areas of the economy, including health and education. Have we considered the matter in the context of Brexit?

I presume that the Department is Brexit-proofing like every other Department. I view a competitive labour market as a key area. I realise that I have asked the Secretary General to analyse the potential impact of the unknown. I assume that various strategies have been or are being put in place, depending on the outcome of Brexit. One thing for sure is that if we have a harsh Brexit on 29 March 2019 we will be on a cliff edge. I mean many European people will no longer be able to work in the UK and we have a common travel area. Where will all of that leave our labour market? The UK will have to resort to using our labour, thus increasing wage costs. Some people will benefit but such a situation may have a negative impact on the broader economy, particularly in terms of our competitiveness. Such a situation will make us less attractive to foreign direct investors and, therefore, less able to sustain our economy.

People talk about a competitive economy and all that is required in a complex economy. Our economy is very complex due to being so open and global due to its interdependence. Skills and skill sets are part of the Department of Education and Skills yet, primarily, the impact of the failure or success by that Department is directly and more immediately seen in other areas like the construction sector and in the broader economy. The strategy statement is a very bold document and we are good at writing documents in this country. However, most of the details on how to implement the strategy fall outside the remit of the Department of Business, Enterprise and Innovation, in terms of the strategy's success or failure. I ask the Secretary General to outline how she will ensure that the various Departments act in a cohesive fashion when it comes to implementing the strategy.

I wish to make a final comment about consumer affairs. I sometimes wonder whether we, as a country, are proactive enough or whether we depend too much on the European Union to nudge us when it comes to the protection of consumer affairs. Can we be more proactive as people, as a Government and as a State, in terms of advancing consumer protection rights and entitlements? Let us consider airlines and shipping companies. In terms of the latter, recently as many as 19,000 families were badly discommoded. Irish Ferries may not be directly at fault but it took the bookings and gave a guarantee to people that they could sail on certain dates. I have been left to ponder the following matters. Do we sometimes betray our own citizens by not having robust protection for consumers? More often than not, we seem to depend on the European Union to encourage us to protect our own citizens when it comes to consumer rights.

Dr. Orlaigh Quinn: I will reply to the questions and perhaps my colleagues can add to my replies. As the Deputy said, there are a number of areas where we act as both partners and collaborate with other Departments but we do not necessarily hold the mandate. On the skills side, in particular, we provide the secretariat to the expert group on future skills needs, which reports regularly on what skills are needed by our economy. I am a member of the national skills council chaired by the Minister for Education and Skills, Deputy Richard Bruton. Again, the council facilitates prioritisation across needs. We have nine regional skills fora located across the country. My Department is very involved with and is represented on each of those fora.

My colleagues and I work very hard with our colleagues in the Department of Education

and Skills to make sure that we identify important areas. We have a direct line, both ourselves and through our agencies, in terms of where skills are under pressure or under-resourced and we bring that expertise to the table. Let us consider the roll-out of the skills for growth programme by the Department of Education and Skills. We were very involved in putting the spotlight on that work with our background.

Interestingly, when we attend trade missions or deal with companies, a lot of emphasis is placed on people having the correct set of skills. We have found that there is only a shortage in a small number of sectors. We are working very hard to resolve such shortages. We conduct a lot of joined up work with institutes of technology through Science Foundation Ireland and support and facilitate work in that area. I do not feel that there is a lack of joined up thinking in that area and believe we are doing well.

The Deputy mentioned work permits. My Department reviews work permits and identifies critical skills twice a year using a formal process. We begin analysis by asking ourselves whether we can find the skills in Ireland and can we augment them. We have heavily invested in new skills in some of the colleges. Ireland will be the first country in the world to provide a master's course in artificial intelligence and we have new skills in digital aviation and right across the board. I am sure the Deputy will be aware that we recently opened up the work permit system for agricultural workers, which relates more to low-paid work where there is a labour shortage. We are always very conscious of our own unemployed and inactive population, and that 18 million people are unemployed in the European Union. That is our first port of call when trying to replace skills. More broadly on infrastructure, there are clear challenges in housing. There is a lot of policy in place and work coming on stream. In terms of our competitors for investment, we are conscious that we are very comparable with other countries or cities such as Luxembourg, Brussels and Frankfurt, which experience similar issues to Ireland. However, it is a challenge to the economy and we can feed in our elements and it is very important that we do so.

On the United Kingdom common travel area, CTA, people coming to work here will have to come within the CTA agreement and will not be competing as such. The issue is more in regard to citizens of the United Kingdom. We are getting quite a lot of interest from such people, in particular those in the research community who would like to come and work in Ireland, especially those with EU backgrounds who may no longer feel as welcome in the UK as was previously the case. It is an opportunity to strengthen our offering on the innovation and research sides.

Deputy Billy Kelleher: If the UK no longer has a pool of labour available to it from the European Union and because we have a common travel area and could potentially still provide a pool of labour to the UK-----

Dr. Orlaigh Quinn: I apologise; I misunderstood.

Deputy Billy Kelleher: -----we could end up with a situation whereby the UK cherry-picks our pool of labour, including teachers, nurses and those with other skill sets. That may cause a major problem which could permeate the whole economy, including agricultural workers. If the UK can no longer draw on a pool of Polish or Lithuanian agricultural workers, where will it get-----

Dr. Orlaigh Quinn: Sorry. I was looking at it the other way around. That scenario is a factor and a possibility. I note our current wage rates are higher than those in the UK. We have

the second highest minimum wage rate in the European Union. People may go to the United Kingdom but that is not currently an issue and it is not on our horizon. We are more conscious of companies that may locate in the UK in order to give themselves a base there. We are conscious of that possibility in regard to some food companies but we do not consider it to be as much of a potential issue on the work side.

I think I have covered most queries. My colleagues may wish to contribute.

Mr. Dermot Mulligan: Deputy Kelleher mentioned that we are now in a different position and the world is moving on. We are very conscious that we also need to move on and innovate to guarantee the jobs of the future. There is a lot of change in the marketplace and many innovations with which we need to keep up and for which we must reskill our workforce. That is very much to the fore of our minds in regard to strategy.

As the Secretary General stated, there are opportunities in regard to research and development. Several researchers in the UK need to be able to access European Union funds. There is a requirement for high-level European Union national researchers who can work in the European Union. There are opportunities for us in that regard. There are a number of challenges associated with Brexit but there are also many opportunities. We are very firmly focused on ensuring we are to the forefront in guaranteeing the quality jobs of the future for the country.

Dr. Orlaigh Quinn: Last week, we published two reports. We have done a body of research on Brexit. A particularly interesting report involved an examination of the skill needs that may arise from the potential trade implications of Brexit. We wished to look at that very closely. We discovered gaps in international trading logistics, supply chain and associated areas. We will bring those findings to the National Skills Council to highlight the need to develop more supports in that area. That direct link back to skills is important.

The other report we published last week is on imports to Ireland from the UK, particularly those which are part of the supply chain. We found a big dependence on UK products coming into Ireland and we must consider that area and try to support companies to import from countries other than the UK, for example. Those two very recent pieces of work could be helpful.

Chairman: I thank Dr. Quinn and call Mr. Hegarty.

Mr. David Hegarty: Deputy Kelleher's comments on the disparate nature of the competitiveness agenda and that many Departments have a stake in that regard are absolutely correct. I wish to mention the role of the National Competitiveness Council, the secretariat of which is provided by the Department. It brings together a variety of actors from the enterprise sector, trade unions, social partners and, crucially, Departments and provides a forum where we can surface these competitiveness issues, some of which are the responsibility of Departments other than ours. It is a forum - the Secretary General mentioned others such as the National Skills Council - where we can discuss these issues with the other Departments that have primary policy responsibility for those areas.

Chairman: We will move on. I have a couple of questions. Dr. Quinn mentioned that the Action Plan for Jobs falls under the remit of Mr. Hegarty. The committee last year decided that it would travel around Ireland. We have undertaken a significant body of work on the cost of doing business and have had many engagements with stakeholders including IDA Ireland, Enterprise Ireland, banks, Insurance Ireland, the Irish Farming Association, IFA, hoteliers, restaurant owners, shop owners and many others. We undertook a huge body of work and will finalise

and launch our document in July. I am a Deputy who represents Waterford and was conscious that when the committee sits in Dublin, many of those who appear before it are Dublin-centric and more regional issues are not always addressed. To compensate for that, the committee sat in Waterford to deal with issues relating to the Action Plan for Jobs. The five county councils of the south east were represented by four cathaoirleach and a leas-chathaoirleach - one cathaoirleach was unavailable. The south east is coming from a very low base and, for example, its unemployment rate is always stubbornly approximately 2% above the national average. The area has not performed as well as many others. Does Mr. Hegarty have cohesive plans to identify potentially underperforming areas, rather than those which are overperforming? Is there a special focus in that regard? I do not refer solely to my area but, rather, the country generally because although areas of Limerick and Cork are doing extremely well, many areas in all constituencies are not performing as well. Is there a strategic focus on areas identified as not performing as well as others?

On the point made by Deputy Kelleher, the issues to the fore during our engagements on the cost of doing business were rates, insurance, the cost of finance and the lack of skills in the construction and food industries and, specifically, hotels and restaurants. That came up a lot.

While it may not come under the remit of the witnesses, I was struck by the manner in which outside factors influence what happens in this country. The collapse of Carillion led to the collapse of Sammon Contracting. I wish to discuss smaller contractors, the small and medium enterprises which may only have one, two or three employees and may be a family firm. Many smaller contractors are owed money by companies such as Sammon Contracting and Carillion but the chances of their receiving it are very slim. A business person who provided painting services is owed €58,000 and his company may not survive. Is the Department focusing on such smaller contractors who may end up going to the wall because they are owed sums such as €60,000 or €100,000? The witnesses understand the point I am making in that regard. Is there a focus on that?

Finally, as far as I am aware, last year or the year before that the Department was focused on having data centres throughout Ireland and I believe it employed a company to examine that. Is there any update on that? It is important to the committee to see things moving outside the Dublin-centred area as well, and not just because we live in those areas. There is an overheating and the other areas of the country can act as a release valve in respect of housing and quality of life.

Mr. David Hegarty: First, the Action Plan for Jobs 2018 at national level has a somewhat different emphasis from earlier action plans for jobs. When the Action Plan for Jobs process was initiated in 2012, we were facing a national unemployment crisis with unemployment at approximately 16% of the labour force. As you said, Chairman, the context has changed now. That is reflected in the Action Plan for Jobs 2018, which has a stronger emphasis on the regional dimension. In addition, it is important to point out that we have regional action plans for jobs with one for each of the eight NUTS 3 regions. They are currently undergoing a refresh or reprioritisation and will be published towards the end of the year. When we look at the employment performance of the economy overall, the picture is quite encouraging at regional level. We have an overall target, and it is in the programme for Government, that each region would have an unemployment rate that is not more than 1% above the State average. There are just two regions above that: the south-east region, which is the Chairman's region, and the midlands. However, both are within 2% of the national average so that is an encouraging trend.

In addition, employment growth has been fairly evenly spread across the country. Four

out of five jobs created in the year to the second quarter of 2017 were outside Dublin. With regard to the performance of EI and IDA-supported companies, 65% of the jobs created in EI-supported companies last year were outside Dublin. The Chairman asked if we have a focus on the problems of underperforming regions. That is a key focus of the recently launched national development plan and the accompanying national spatial strategy. They are about ensuring that growth is more evenly distributed across the different regions, with various investments in infrastructure to support that.

On the question of data centres, the Minister published a Government statement on data centres the week before last. Some concerns have been expressed. As data centres by their nature are energy-intensive, they place a great deal of pressure on the grid. The policy statement basically states the IDA will aim to prioritise the location of data centres at regional locations.

The Chair referred to the competitiveness issues with rates, the cost of insurance and the cost of finance. When I was responding to Deputy Kelleher's questions earlier, I mentioned that those are the types of issues on which the National Competitiveness Council focuses. She is correct that the cost of finance is a significant issue in Ireland. It is higher than it is for our eurozone peers. There are issues with rates and insurance as well. Those issues are raised by the National Competitiveness Council, which is an independent body that reports to the Department. As the reports of the National Competitiveness Council are brought to the Government, that ensures there is a focus on those issues.

Chairman: My point is that it was probably the common denominator in all the presentations we received. We will be launching our document and obviously you will get a copy of it. We put a great deal of work into it. However, that was the common denominator that arose all the time regardless of which business was involved, be it small or large. It was amazing to see the same common denominator all the time. I was merely flagging it for you. Do you have a comment on the smaller contractors after the collapse of the bigger companies? I accept there are outside factors and we cannot control them. Obviously, Carillion plc cannot be controlled here. However, is there a focus on those smaller companies when they are in trouble?

Mr. David Hegarty: Not in that specific instance, as that sector is not one on which we have a particular focus. In the context of Brexit, the agencies operating under the aegis of the Department have put in place various supports for companies affected by Brexit but we do not have a remit as regards those specific issues.

Dr. Orlaigh Quinn: On that point, contract law and Revenue Commissioners rules provide for how companies are treated in terms of insolvency. I will not say it is a pecking order but there is a hierarchy. However, I accept your point. We saw it during the worst part of the economic crisis here when big contractors went out of business. As you rightly say, sometimes it is the smaller sub-supplier that takes a greater hit.

Chairman: I realise there are outside factors outside everybody's control. However, I know a small contractor and €60,000 or €70,000 is enough to tip him over. These instances are unfortunate and that is why I wondered about it. We do not see it happening as often as it did previously, thank God, which is the most important thing. However, it has happened again, unfortunately. Thank you for your replies. I call Deputy Quinlivan.

Deputy Maurice Quinlivan: I thank Dr. Quinn for her presentation. In response to a question from Deputy Kelleher, Dr. Quinn spoke about Brexit and the skills sets for new staff members or workers. Was she referring to customs officers and patrols of the Border? Has she

or the Department done any work on that?

Dr. Orlaigh Quinn: No, it would not be our role to look at borders or customs. I was talking about assisting companies to be able to diversify and work abroad outside the UK. If they are going outside the European Union, for example, they have to know what the customs and trade limits are. It is very much focused on supporting companies.

Deputy Maurice Quinlivan: I have a few other questions. The first relates to the Office of the Director of Corporate Enforcement, ODCE. I assume the witnesses have seen the report authored by the Director of Corporate Enforcement on the failings in the Seán FitzPatrick case. How often does the director or staff from the ODCE meet the Department or the witnesses?

My second question is on Brexit. It is a difficult question because we do not know what the position is or what will happen and whether it will be a hard or soft Brexit. It appears that the members of the Tory party have lost the run of themselves and that we are heading for a hard Brexit. Do the witnesses share my concern about the low uptake of Brexit supports? There are a number available. I received a reply to a parliamentary question on this issue last week and it states that only 32 companies signed up to Enterprise Ireland's market discovery fund and there were only 110 Be Prepared grants since March 2017. There were 277 InterTradeIreland's Start to Plan vouchers issued since June 2017. There were no data available on the Brexit loans scheme. What is happening with that? It appears that 2,291 people have done Enterprise Ireland's Brexit scorecard since March 2017. Are the witnesses concerned about the low uptake of the Brexit schemes?

My third question is about the Global Ireland initiative, which the Taoiseach raised in the Dáil today. What type of funding and staff resources is the IDA or Enterprise Ireland expected to receive under this new initiative and how advanced is the planning on that?

Dr. Orlaigh Quinn: On the first question about the ODCE, I meet all the agencies at least once a year. They come in and we meet at management board level. That is the formal oversight aspect but we also meet informally as and when required. There is no doubt that, as the Deputy said, the report and the case were very disappointing. It did happen quite a number of years ago and if one looks at the ODCE's annual report, it shows that it has been very successful. In the past year, for example, many company directors have been restricted. There is a lot of work ongoing. Many company directors have been disqualified.

Deputy Maurice Quinlivan: I queried that with the previous Minister. Many of those restrictions were not done by the ODCE but via receiverships and so on. It was not work that the office actually did. I had this dispute with the previous Minister and the Secretary General should be careful. I am not telling her what to say but I was concerned that these actions were not taken by the ODCE but were brought about through receivers and it was claiming credit. My concern was that this work was not being done.

Dr. Orlaigh Quinn: They are submitted. Maybe Ms Power would like to come in.

Ms Breda Power: The ODCE examines all reports from liquidators. On that basis, it decides whether a liquidator has to seek a restriction order. However, the ODCE must examine all the liquidators' reports. In 2017, 91 company directors were restricted via undertakings they gave to the ODCE. They did not have to go to court for those; the undertakings were just given.

Dr. Orlaigh Quinn: Moving on to the Brexit supports, I take the Deputy's point on their take-up. A great deal of work is being done to put in place supports. There are also informal

supports. For example, Enterprise Ireland is working very closely with 600 at-risk companies so there is a direct and ongoing support. We are very open to all possible supports that we can make available. We have had feedback that until they see the reality of Brexit, companies are not engaging sufficiently. We are always trying to push the message that they should be prepared. The Deputy listed several of the programmes that are in place. One area we have found quite successful is the number of trade missions being done. That gets companies working and seeing what is happening among themselves. We will continue to do everything possible and work on the basis of giving any support that we can. I take the Deputy's point and we would certainly like to see a greater level of take up.

Deputy Maurice Quinlivan: I want to commend the staff from Enterprise Ireland, whom I have met several times, and from InterTradeIreland, who are doing the best they can. It is difficult to answer the question when we do not know what it is and Brexit is especially difficult.

Dr. Orlaigh Quinn: I will pass that on. I thank the Deputy and I appreciate it.

On the global footprint and additional staffing, we received an additional €3 million in the budget last year and €3 million in the budget the previous year specifically for Brexit. We divided that between Enterprise Ireland, which got the vast bulk, and also IDA Ireland, InterTradeIreland and the Health and Safety Authority, because particular aspects of its work is affected by Brexit. In addition, we have established a Brexit team within the Department. We have put in proposals to increase our global footprint, which is part of the budget discussions. We will make our case for that as strongly as we can.

Deputy Maurice Quinlivan: Is there no new funding for the initiative? Is it existing funding?

Dr. Orlaigh Quinn: It is funding that is already there and then it will be part of the budgetary negotiations.

Mr. Dermot Mulligan: As I am sure the Deputy will know, there are quite specific and concrete proposals in 'Global Ireland' - Ireland's Global Footprint to 2025 on how we will double the global footprint. This includes on our own agencies in the European area and expanding the IDA Ireland presence in Paris, at its new European headquarters in Frankfurt and in Washington, New York, Seattle, North Carolina and California. It covers the period up to 2025.

Chairman: I call Deputy Tom Neville, whom I had to skip earlier.

Deputy Tom Neville: I have some broader macro-type questions. We know that Brexit is coming down the tracks and is a threat. However, my questions follow from questions such as that which Deputy Kelleher asked about our economy, how we react and the fact that every time we have reacted in the past, we did so from a position of weakness. When the crash happened, we reacted. Our competitiveness was being questioned in 2006 and 2007 in the context of wage inflation. We took a hit in the multinational sector and then in construction, so it was a double whammy. We have recovered and we are coming towards 5% unemployment, which is very welcome. We are now in a position of strength. What is being put in place to see us through the likely threats in the next two to three or three to five years? How will we keep our economy on edge? How are we going to keep that edginess that has got us from 15% unemployment to 5%? If we start resting on our laurels, we will be caught again. It is about making changes from a position of strength.

Beyond Brexit, what major threats to the economy does the Department foresee over the

next three years? I want more meat on the bone in this regard. What will be the implications of these threats?

Finally, can the officials outline specifics on what progress the Department has made in Asia to grow Ireland's footprint? Ideally, what resources would they like to have in Asia in order to develop our economy and mitigate the threats?

Dr. Orlaigh Quinn: I will begin with the macro issues, including Brexit. Looking at global trade, issues such as tax and the United States have huge implications on the Irish economy. We touched on skills, which is a major feature. That is something to which my colleagues might wish to add. However, we must separate out what we can and cannot control. We are takers of policy in certain areas. For example, if there were a trade war between the EU and the US, we would be part of the EU discussion but our influence would be more reduced than would be the case if the matter related to a skills policy, in respect of which we have a direct control and we can ensure that we invest in particular areas. We tend to distinguish between the areas that we can absolutely control ourselves and matters in respect of which we are not policy-takers but, rather, contributors to discussions. The potential trade war is a big factor but we have also had huge investment from global trade. New free trade agreements are coming through such as Mercosur, and those with Singapore and Japan. Those will provide us with great opportunities.

Asia provides us with great potential. I met 11 ambassadors from the region in Vietnam last month. We sat down with IDA Ireland and Enterprise Ireland and had two days of planning for the Asia region on how to strengthen our presence there. Some of it is described in the business footprint plan but much of it is about how we work well together. When one travels in Asia, whether it is with Ministers or Deputies, doors open more easily, which is not the case in the United States. We need different strategies for different regions. We have an Asia strategy which we developed with the Department of Foreign Affairs and Trade and which relates to growing Asia as a market. Last year 300 companies went from Ireland to Singapore and Japan and many good contracts were established. It was very positive. An example I often give relates to our visit to the highest tower in Singapore. The guy who was showing us the tower said the building is Singapore and the brains are Irish because all the electronics put into the tower came from Irish companies. Sometimes we do not celebrate or know enough about the success of Irish companies abroad. They are doing amazing work. For us, it is about supporting them and giving them access. Particularly in Asia, the trade missions work very strongly. It is a question of supporting those concerned with the required skills sets and, as I mentioned, customs information and training. It is a long game in Asia; it takes years to establish a presence and to get involved with companies. That is what Enterprise Ireland is particularly excellent at doing. That is what we work at.

I touched on the global challenges. Do colleagues want to contribute on any of those?

Deputy Tom Neville: My question was more on the ideal resources. Singapore and Japan were mentioned. They comprise just a drop in the ocean in Asia. If Dr. Quinn cannot answer my question, I understand. It might be too broad. Over the next three to five years, what will be the ideal resources required to grow the market, to really take on Asia and to put the focus on that region of the world?

Dr. Orlaigh Quinn: Some of it is not necessarily about resources because, as I stated, we have 11 ambassadors in Asia, spread right across the region. They are not just in Japan or Singapore; they are in all the regions of Asia. We could possibly do more if we had more resources but one has to remember that only a certain number of companies are ready to export to Asia. It

is a combined area. I cannot put a number on it. It is not the case that if we suddenly doubled our resources in Asia tomorrow, there would be double the business. It would not work like that.

Deputy Tom Neville: It is exponential.

Dr. Orlaigh Quinn: Yes.

Mr. Dermot Mulligan: The global footprint document has some quite specific measures that are in planning. They include opening a new consulate in Mumbai in 2018–19 and deepening and expanding Enterprise Ireland’s presence in China, India and south-east Asia. One is strengthening the embassies in Tokyo and Bangkok and another, which the Deputy might have read about in the newspapers recently, is launching the flagship Ireland House in Tokyo. This is a major development. Another measure is opening a new embassy in the Philippines and a new consulate in China. There are some quite specific measures. In all this, the Department works very closely with its own agencies, the IDA and Enterprise Ireland, and the Department of Foreign Affairs and Trade. We have a Team Ireland approach when in-country, with all working together. We make sure we work as a team because the bang is bigger whenever one works together, especially for a small country seeking to trade with some of these very big countries. Even to become visible is a major effort.

Deputy Tom Neville: That is what I mean. Some of them do not even know where Ireland is or that it exists.

Mr. Dermot Mulligan: Absolutely.

Deputy Tom Neville: From the Department’s experience of dealing with Asia and because of Brexit, what does it believe to be the main opportunity for us or the main industry that could export to Asia? If the industries were to be tiered, which would have the most success, what would be the most likely outcome?

Dr. Orlaigh Quinn: We have been very successful and have grown greatly in recent years on the services side. I refer to research, fintech-----

Mr. Dermot Mulligan: Engineering was mentioned by Dr. Quinn in regard to the tower in Singapore. Particularly with regard to the management of engineering projects, many Irish are involved.

Deputy Tom Neville: Services again. What about agriculture?

Dr. Orlaigh Quinn: Agriculture is very big and it is also opening up the market. The market in China will be really positive for Ireland. Bord Bia ran a very good visit recently to China with the Minister for Agriculture, Food and the Marine, Deputy Michael Creed. There was very positive feedback. Ireland is very much seen as a producer of very strong, green, good, high-quality food. That is a huge advantage entering the Asian market.

Deputy Tom Neville: My final question is on making decisions from positions of strength. Over the next three to five years, what do the Government and decision-makers have to do to keep the economy on an edged footing to allow it to stay in a position of strength?

Dr. Orlaigh Quinn: We must focus on competitiveness and productivity. We have to remain competitive in the marketplace. That is a struggle for us because we tend to have high wage rates by comparison with other countries. It is a matter of competitiveness and upping our

game in the new sectors where we want to position ourselves as the global innovation leader. This involves automation and fintech. We really want to move towards the high-quality jobs. We have made some really good moves in that area. The launch of the new disruptive technology fund is an example. There will be invitations and there will be competitive funding of €500 million. It is absolutely focused on what is new and what will add to our offering. It is an opportunity to really test the market. Much of our funding is very much on a competitive basis.

Deputy Tom Neville: What about skilled manual workers?

Dr. Orlaigh Quinn: We have a huge role for them also.

Deputy Tom Neville: Are there new initiatives or movements in the Department to combat the skills shortage in this area?

Dr. Orlaigh Quinn: As the Deputy said earlier, we have shifted our emphasis. During the downturn, it was a matter of trying to get people off the live register into a job - any job - whereas now we are trying to focus on in-company training and upskilling people to add to their talents so that the jobs in question will become available to them. That is where the emphasis is now. We can see that in the way we will fund in the future.

Deputy Tom Neville: I realise I am getting into specifics and drilling down, particularly regarding skilled labour such as that in the construction industry. There seems to be a shortage in this regard. The infrastructure side is coming on with Project Ireland 2040 and other developments. What is the thinking in the Department on trying to combat the problem?

Dr. Orlaigh Quinn: We need to see significant growth in our apprenticeship programme. A considerable number of apprenticeships were launched recently. It is a matter of keeping that growing.

Mr. David Hegarty: Apprenticeship policy is a matter for the Department of Education and Skills but we certainly have a lot of interaction with it. That is one route. The Department of Education and Skills is extending the range of programmes available through the apprenticeship model. That is part of the answer to the issues the Deputy raised.

Senator Paul Gavan: I thank Dr. Quinn for her presentation and her answers, which have been very helpful. I had three wide-ranging questions, the first of which is straightforward. What is the Department's position on Sparkassen banks and their possible entry into the Irish marketplace? This has been around for a couple of years. The committee members are hoping to visit Germany in the near future. It would be good to know what level of engagement the Department has had in regard to that topic.

Dr. Orlaigh Quinn: It is really a matter for the Department of Finance and the Central Bank. It does not come within our remit.

Chairman: They made a presentation to us. We had the pillar banks in and we also had representatives from Sparkassen and Irish Rural Link. They have been trying to get into the midlands especially. I refer to community banking, perhaps piggybacking on the post offices and the credit unions. The Sparkassen offer very competitive rates, especially for industry.

Senator Reilly asked whether we could invite the representatives. We were all very impressed with them. They have issued an invitation to the committee members to go to Germany to see exactly how Sparkassen operate. They are in every small community in Germany. While

the Department of Finance and the Central Bank are responsible, the Sparkassen model is of great interest to this committee. The cost of finance featured so much during the discussion on the cost of doing business that we decided it was very important to have the financiers in here also.

Senator Paul Gavan: I thank the Chairman for elucidating. She is absolutely right and I understand what she is saying. Perhaps it is something at which the Government might need to look. It strikes me that for those involved in small or medium enterprises, Sparkasse banks would make a significant difference in some circumstances. It is certainly relevant, but I take the point made.

I will talk about worker co-ops. The Department stresses the importance of growing indigenous enterprises. Worker co-ops account for a significant percentage of the economies of EU member states. In Sweden they account for 13% of GNP; in Switzerland, 16%; and in Finland, a whopping 21%. In recent years countries such as France, Italy and Spain have all moved to either introduce or strengthen their worker co-operative legislation. It seems to be an area that has been neglected. It is one at which the committee is hoping to look later in the year. I have a number of questions about the issue. What emphasis is the Department placing on the development of co-operatives, in particular worker co-operatives? Does it intend to introduce legislation to recognise worker co-operatives as a distinct legal entity? What knowledge is available within Enterprise Ireland of worker co-operatives? Is it a form of enterprise that is being promoted in the Department? Has it considered the potential advantages of re-establishing the co-operative development unit in order to develop a co-operative network? It strikes me that we seem to be miles behind the rest of Europe. We know that this is a sector that works really well across Europe. I am wondering at what the Department is looking in developing the sector.

Dr. Orlaigh Quinn: I ask Ms Power to take that question.

Ms Breda Power: On co-operatives, at the end of 2016 the Department issued a consultation paper on a review of the industrial and provident society legislation, which includes co-operatives. We received nine responses. One mentioned worker co-operatives, but it was more for research purposes. It was not raised as a specific issue in response to the consultation paper. We are looking at the legislation with a view to bringing forward proposals to be presented to the Minister on industrial and provident societies.

Chairman: Is nine an extremely low number of responses?

Ms Breda Power: Yes.

Chairman: Was the Department surprised that it was that low?

Ms Breda Power: Sometimes we receive a lot of responses and at other times the response is minimal.

Senator Paul Gavan: The law requires seven individuals to set up a worker co-operative, which makes it really hard. Changing the number from seven to three would make it a lot easier to set up a small business as a co-operative. That is a practical suggestion we would like to put to the Department.

Ms Breda Power: The number is one of the issues we are considering. It was raised as part of the consultation process.

Senator Paul Gavan: I take the point Ms Power made about the consultation paper. Is it fair to say there is not a lot going on in the Department in developing worker co-operatives?

Ms Breda Power: We do not support one model over another. Enterprises select the models that best suit them.

Senator Paul Gavan: I understand that, but if one looks at what is happening across Europe, governments are being proactive and actively promoting worker co-operatives as a distinct entity. Is it not an avenue the Department has considered going down?

Ms Breda Power: It is not something at which we have proactively looked or considered.

Senator Paul Gavan: I ask the Department to look at it.

I have a final set of questions. The expansion of work permits was mentioned. The minimum remuneration threshold is €22,000 across key sectors such as agriculture. I have a particular concern. The work permit programme for the fisheries sector was disgracefully run. Two weeks ago the International Transport Workers Federation told us that one in ten workers issued with a permit had been the victim of international human trafficking, which is the most serious of charges. It is absolutely horrific. While I understand the need to expand the work permit system, what additional safeguards is the Department implementing to ensure the additional workers would not be subject to exploitation? How many labour inspectors are employed by it?

Dr. Orlaigh Quinn: The Senator is probably aware that we are carrying out a full review of employment permits. That review is due to be completed by the end of June. In the interim, because there was such pressure on the agriculture sector, we looked specifically at horticulture, meat processing and the dairy sector. The Minister made a change to the employment permit regulations to allow the agrifood sector to source workers from outside the European Union. There were 500 permits for horticultural workers, 250 for meat processor operatives and 50 for dairy farming. It was done on a pilot basis on the basis of a lot of interaction with the agriculture sector and the Department of Agriculture, Food and the Marine and using the evidence they provided for us. The amendment to the regulations introduced a new minimum remuneration threshold of €22,000, which was below the threshold for the normal permit but above the national minimum wage. We also required a commitment from employers that permit-holders would have access to suitable accommodation and training, including language training. We said we would look at the permit quotas again and allow them to be retained if there was investment in innovative technologies. It is a tricky area because, on the one hand, we want to maintain the quality of the workforce and, on the other, we have sectors that are demanding labour. It is different from the case in the fisheries sector, which comes under a different permit scheme run by the Department of Justice and Equality. We have inspected 95% of the fisheries sector from the workplace relations side. We have carried out inspections and there are a number of cases in which wrongdoing or breaches of the regulations have been found. Additional staff have been taken on. I do not have the figure with me-----

Senator Paul Gavan: Perhaps Ms Quinn might forward it to us.

Dr. Orlaigh Quinn: -----but 95% of the fisheries sector has been inspected by the Workplace Relations Commission.

Senator Paul Gavan: That strikes me as very high.

Dr. Orlaigh Quinn: The commission looks at workplaces across the sector. It concentrated

on it and did it in that way.

Deputy Maurice Quinlivan: I want to query that because it has presented here on a number of occasions and we have produced a report on the issue. The figure was very high, at 95% or 98%. It flagged to us that it would not be able to do it again and would not be checking again. We had a concern about that because the resources expended meant it would not be able to do it again.

Senator Paul Gavan: There is a broader concern. As a trade union colleague said to me some time back - if he is wrong, I will hold up my hands - apparently, there are more dog wardens than labour inspectors in Ireland.

Dr. Orlaigh Quinn: I could not answer that question, but I doubt it. However, I could be wrong.

Senator Paul Gavan: How many labour inspectors does the Department have?

Dr. Orlaigh Quinn: On the fisheries side, we have ten inspectors who were trained in 2017 by Bord Iascaigh Mhara. They have said they will continue to engage in the sector on a risk-based approach, which is how they carry out most of their inspections.

Senator Paul Gavan: I apologise for interrupting Dr. Quinn. They told us that they would not be able to maintain the level of supervision and inspections of last summer.

Dr. Orlaigh Quinn: There are very few sectors in which 95% of workplaces are inspected.

Senator Paul Gavan: That is true, but there are very few workplaces that are subject to human trafficking.

Dr. Orlaigh Quinn: I accept that.

Chairman: We did a body of work on this issue last year because an issue with the atypical working scheme for non-EEA workers had been brought to our attention. Migrant Rights Centre Ireland had come to us. We looked at both sides of the issue and made some recommendations on the issuing of permits. We received correspondence from the Minister today. We have not discussed it yet. We made some recommendations on workers carrying waterproof permits and keeping all of the documentation onshore instead of on a vessel. We also made a recommendation concerning the language barrier when inspections were carried out. It was one of our main recommendations. Sometimes when inspections happen, workers are not able to interact. We did not find a huge incidence, but we did find that it had happened. The language barrier was an issue.

The other thing we found was that it came within the remit of six Departments. It would be better if it came within the remit of one or two, but that is easier said than done. The Department of Business, Enterprise and Innovation is dealing with it, as are the Departments of Justice and Equality and Agriculture, Food and the Marine. Many Departments are dealing with it so it is not a simple fix. As a committee, we have looked at many things relating to Brexit, permits and the cost of doing business. We pride ourselves on being a busy committee. When we focus on something, we try to do it in depth rather than just paying lip service.

Dr. Orlaigh Quinn: We have two recommendations from the committee's report. The Chairman mentioned one relating to the language difficulty. Since that recommendation came in, we have published Employment Law Explained in both Arabic and Filipino. That is avail-

able now. If there are other languages, we will take it on board.

Chairman: That is great. I thank Dr. Quinn.

Deputy Lisa Chambers: I apologise for being late. I sit on the Committee on Budgetary Oversight and it is always scheduled at the same time. I try to bilocate and I have not figured out how to be in two places at once yet.

My first question is about Brexit. I apologise if the witnesses have already dealt with some of these questions when I was not here. I caught some of the end of their answers to a previous speaker about the Be Prepared grant. It is anticipated that 100 or so businesses might sign up to that grant. If everybody took the maximum of €5,000, it would only amount to €500,000. In the context of how huge Brexit is, it is probably not a huge amount of financial support from the State to businesses.

I am spokesperson on Brexit for my party, Fianna Fáil, so I have looked at this a little more. There appears to be a genuine lack of preparedness across the board. I accept what the witnesses are saying is that, until companies or individuals are faced with the impact of Brexit, there may be a reluctance to prepare because if one has limited finances and wants to hire an extra worker, spend money on marketing one's business or whatever, it is difficult to justify spending money on the unknown that may never happen. The approach our Government is taking is not to prepare too much so there is not a self-fulfilling prophecy. That attitude is permeating our business community.

The key sector that we all agree will probably be worst hit is the agrifood sector. That may affect the regions more than the cities. I represent a rural constituency in Mayo. Agrifood and agriculture is a huge employer in the constituency, as it is across the west of Ireland, and indeed nationally. I am not saying that the west is more affected than the rest of the country. Coming from the Committee on Budgetary Oversight earlier, a suggestion from the Irish Congress of Trade Unions, ICTU, which was the first I had heard about it, was to have a Brexit adjustment assistance fund. I asked what exactly that is and how it might work. The thinking behind it was that if we know for a fact that we will lose employment or that there will be fewer jobs in a sector, we need to have money and supports in place to help these employees to retrain for a different sector, to get into different areas of employment and to help businesses diversify. I would appreciate the witnesses' response about what we could do to put something in place to help to prepare workers for a possible reduction in job opportunities in a particular sector, specifically agrifood.

My local enterprise office, LEO, is very good. It is fantastic to work with. I often refer budding entrepreneurs or small businesses that are looking to expand to it. It has had some brilliant success stories. What do the witnesses see as being the role of the LEO in a post-Brexit world where we want to diversify and get into new markets? How do they see the role of the LEO working with regard to regional investment and jobs?

To move away from Brexit slightly, an area which we need to do much more work on which goes across a number of Departments and not just the witnesses' own, is the female participation rate in the workforce. It is an area where we can make huge progress to the benefit of our businesses and country. We know that in Ireland, we are at approximately 67% participation. We have a big gap that we can work towards closing. A key barrier to women and indeed some men returning to work is childcare and its cost. A second area that was highlighted more recently is the impact of the tax system on a second member of the family returning to work. While

it is not directly under the remit of the Department of Business, Enterprise and Innovation, it can work with other Departments to formulate a policy and strategy going forward to address this. We know that women coming through second and third level reach the highest standards of qualifications and do well with third level qualifications. We then lose many of them come childbearing age and they do not really make up the gap when they return to the workforce. It is much more difficult. Key areas that we need to look at are childcare and related supports, the tax system, maternity benefits and how that might be worked on. I would be interested to see what the Department of Business, Enterprise and Innovation is doing in that area. How is it working towards increasing the participation of women in the workforce?

Dr. Orlaigh Quinn: To touch on some of the areas, we talked about Brexit earlier but it was focused on how we assist companies. I mentioned to Deputy Quinlivan that Enterprise Ireland, EI, has identified the 600 companies that are most at risk and is working directly with them. We have published a document, which I think the committee got copies of, which tries to set out the range of supports that are available. We will continue to do that. We have also established, with the European Union, the stabilisation fund, which allows up to €10 million for a company in difficulty. What the Deputy describes, coming from ICTU, is pretty much where we are with an adjustment fund. We have established the mechanisms for that and have done it outside of state aid. We will be able to support companies in difficulty.

Deputy Lisa Chambers: ICTU mentioned the stabilisation fund but wants a similar fund for the worker. I do not know what Dr. Quinn's thoughts are. I had not come across that idea before. It relates to somebody finding himself or herself unemployable in the sector that he or she has always been in and wanting to go elsewhere. I am putting it out there because it is a new idea that has been put on the table.

Mr. Dermot Mulligan: The focus there would be through the Department of Education and Skills. There is a body that receives funding from that Department called Skillnet. It does much work with workers in employment, and with retraining them, so that the companies and workers change together so that they are able to do new jobs and new activity.

Deputy Tom Neville: I know that, at home, when a jewellery factory went from Rathkeale, a number of workers were retrained through an EU co-finance initiative. It was a big grant. A couple of million euro went into a structural fund to train them in different jobs. Some 150 jobs were lost. They were making jewellery.

Deputy Lisa Chambers: Something similar would be great.

Deputy Tom Neville: They were retrained. Some went on to become mechanical engineers or whatever afterwards and they are all working in industry now. That was EU co-financing.

Dr. Orlaigh Quinn: The European Social Fund provides for co-financing. We can draw on that.

LEOs are an essential part of our enterprise strategy. We do not see that changing. There are 31 nationwide. They are run in partnership with Enterprise Ireland. We tend to see companies start with LEOs and then scale up or, sometimes, they will start with EI and scale the other way. It has been hugely important as the first-stop shop. They also work closely with Microfinance Ireland, which allows for funding for small grants to get started. That has been really important. Since they were established in 2014, 15,000 net jobs have been created by companies with LEOs. A huge number, some 1,300, have had start-up funding for their enterprises.

The Deputy spoke about female participation. Female participation in the workforce in Ireland is particularly low, yet we have the most highly educated women. It is a point that I make regularly. We need to be able to tap into the talent in our own country. We have had huge success for female entrepreneurs. Enterprise Ireland put in specific funding for female entrepreneurs. In 2012, I think 7% of entrepreneurs were women. Last year, it was 28% because Enterprise Ireland is providing specific supports.

Deputy Lisa Chambers: Some 7% to 28%?

Dr. Orlaigh Quinn: Yes. Where we have provided detailed programmes, they have proven very successful. We want to do more of that. Similarly, there is a very strong push by Science Foundation Ireland to get women to come back into research. Programme by programme, this push has been successful.

I take the point that was made about childcare. At OECD level we are either the most expensive or second most expensive country for childcare for couples and perhaps the most expensive for single parents. This is not our agenda, but we tend to bring evidence to the table in order that matters such as this can be pushed.

I am not familiar enough with the issues around tax to comment. I understood that couples were better off regarding tax, but I am not familiar enough with it to comment.

Mr. David Hegarty: The point raised about second earners and the idea that the way they are treated in the tax system might be a deterrent to participation has been raised by various external commentators, including the OECD. There probably is an issue there and other people have certainly identified it as an issue.

On the issue of participation, we are undertaking a study of labour market participation across cohorts with low participation rates under the Action Plan for Jobs this year. The action plan is focused on raising participation. We will study cohorts where participation rates are lower compared with those of other countries, with a view to ascertaining the policy issues raised.

Dr. Orlaigh Quinn: Encouraging more women to participate in the labour force does not increase other problems, such as housing, in the way that bringing people into the country does. We should try to use the talent we have among groups here.

Deputy Lisa Chambers: The announcement of 1,000 new jobs at Amazon yesterday was fantastic. It is brilliant to see those high-tech jobs coming to Ireland, but my immediate reaction was to wonder where these employees will live. I listened to a vox pop on Radio 1 yesterday where people who were looking for housing were interviewed on the streets of Dublin. The Amazon jobs announcement was mentioned, and one of those being interviewed spoke of having to start looking for housing quickly because this would create much more competition. Some 200 jobs are being advertised immediately. Housing is definitely a factor.

A new advance factory was constructed in Castlebar, County Mayo. I am perhaps guilty of criticising the lack of IDA visits to my local town and constituency, although others are guilty of that as well. Obviously no company can be forced to locate in a particular area; we can only showcase what we have. The feedback we get from companies already located in the area is that the biggest challenges they face are infrastructure, the road network and communications, specifically broadband and mobile phone coverage. One of our local, very successful factories is the Allergan factory in Westport. I met the chief executive and some of the staff at the

company who said Allergan loses some of its product during transport because the roads are so bad that it bangs off the inside of the truck. That is amazing to think about. The Westport factory competes with other divisions within Allergan internationally for specific contracts. I was told it is difficult to compete if it is pointed out that 2% of product is lost in transport. It would be helpful, to give a regional area any chance of competing, if the basic infrastructure was in place to enable a company to choose Mayo over Dublin or Donegal over Cork in order to balance development. All Departments should be applying pressure to have infrastructure provided because such competition will not be possible without broadband and proper roads, which I consider to be tier one basic infrastructure. While it is great to consider extensions to the DART, the Luas cross city and a second runway at Dublin Airport, we should first have the basics in place everywhere before moving on to what I consider to be tier two investment. The Department is probably hearing this all the time. I am sure it is trying to get companies to come and view our wonderful new facility that is lying empty.

Dr. Orlaigh Quinn: We make those points right across Government, but we have a programme of visits in place. It is important that we have the high-quality advance factories in place because that allows companies to visit and see the potential for locating in them, rather than just looking at a green field. Mayo had 16 visits from IDA Ireland last year.

Deputy Lisa Chambers: That is an increase from three the previous year, which I welcome.

Chairman: An advance factory will also be built in Waterford, which I welcome. We spoke about data centres earlier, and there was an emphasis by the Department on looking at specific areas as locations for these centres. I understand a road network and high-speed internet must be in place. Do the witnesses try to tie a visit by a company that wishes to build a data centre with an advance factory? Is that the plan, or is the plan to encourage another business into the area?

Mr. Dermot Mulligan: The data centres are usually unique and do not fit into what a standard advance operations or advance factory is. The centres tend to have individual requirements, particularly in terms of energy, which means they tend not to locate in advance buildings locations. A point was made about advance buildings and the infrastructure around them. The national development plan is a key means of putting in place the infrastructure to support the enterprise. The regional thrust of the plan is important as a support to enterprise in regional locations. It makes the regional committees under the Action Plan for Jobs very important as well, because it means that all the agencies are working across government at regional level to make sure that things happen at local level.

Deputy Lisa Chambers: On the 16 visits to Mayo, what types of companies visited the facility? If the facility did not suit them, what were the reasons given for not wanting to locate there?

Dr. Orlaigh Quinn: I do not have that detail with me, and we do not tend to release that type of detail because it tends to be commercially sensitive. We tend to focus on informing companies that a premises is available for them to look at.

Mr. Dermot Mulligan: There are usually a mix of factors involved when a company decides on a location. It will consider whether there is a pool of talent and skills available, if there is housing locally and road links. The company will also consider its workforce and whether its employees will want to live in Castlebar or if they all want to live in Dublin. There is usually

a mix of factors. If one looks at the numbers in terms of the growth of employment outside Dublin, not just in Enterprise Ireland-supported companies but also multinationals, they show that we have been very successful. The strategy of building advance offices that people can visit before locating in them is working. There were a number of visits to the facility to which the Deputy referred and other available facilities.

Chairman: Are greenfield sites very important? West Pharmaceutical Products located in Waterford when a greenfield site was available. Apple, unfortunately, also looked for a greenfield site in Athenry. Are greenfield sites important to these companies?

Mr. Dermot Mulligan: It depends on the company and sector. There might be a greenfield site, but a company might want a greenfield site with services. That might include water, for example, for a pharmaceutical company, or electricity for a data centre. Planning permission issues can also arise. Different companies require different solutions, and we try to meet their requirements.

Dr. Orlaigh Quinn: It should be noted that employment in the IDA companies represents only 10% of the overall workforce. It is very important, but-----

Chairman: It is not the only show in town.

Dr. Orlaigh Quinn: -----it is not the only important element in terms of employment.

Chairman: It makes a huge contribution to our tax take.

I thank the witnesses for attending to engage with the committee. It was lovely to meet Dr. Quinn. We have met the other witnesses on different occasions. Nine Bills have passed through the committee recently so we have seen many of the witnesses regularly. We look forward to working with the Department to achieve the goals identified in the statement of strategy. This was a very informative session. We may try to arrange an annual session.

Dr. Orlaigh Quinn: If there is anything we can do to support the joint committee's work, please just let us know.

Chairman: I am delighted to hear that the Department took on board two recommendations in one of our documents. When we launch our report on the cost of doing business, the witnesses might read that too.

Dr. Orlaigh Quinn: I would welcome the opportunity to meet on that too.

The joint committee adjourned at 6.10 p.m. until 4 p.m. on Tuesday, 2 October 2018.