

SEANAD ÉIREANN

Déardaoin, 7 Deireadh Fómhair 2010.
Thursday, 7 October 2010.

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Paidir.

Prayer.

Business of Seanad

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

The need for the Minister for Education and Skills to restore a full special needs assistant service to a child (details supplied) in County Cork.

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

The need for the Minister for Communications, Energy and Natural Resources, in conjunction with electricity suppliers, to introduce a scheme to provide low cost electricity for small and medium enterprises for a 24-month period.

I have also received notice from Senator Jerry Buttimer of the following matter:

The need for the Minister for Health and Children to make a statement on the provision of podiatry services for people with diabetes in Cork.

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

Order of Business

Senator Donie Cassidy: The Order of Business is No. 1, statements on trading and investing in a smart economy, to be taken at the conclusion of the Order of Business and conclude not later than 2.30 p.m., if not previously concluded; on which spokespersons may speak for 15 minutes and all other Senators for 12 minutes, and Senators may share time, by agreement of the House, with the Minister to be called upon ten minutes before the conclusion of the debate for closing comments and to take questions from leaders or spokespersons.

Senator Maurice Cummins: At a time when front-line services are being hit daily in hospitals throughout the country, we find that hundreds of thousands of euro have been paid by the HSE for staff in the new children's hospital which is not due to open for a number of years. We know there has been wanton waste in the HSE and received a further reminder of this earlier in the week in the form of the skills spending scandal, a matter the Committee of Public Accounts is addressing today. However, it now seems it has extended to the HSE paying staff

[Senator Maurice Cummins.]

for jobs to be done in a hospital not yet open. The Leader of the Opposition, Deputy Kenny, asked the Taoiseach yesterday, in the light of the endless waste scandals emerging in the HSE, whether he would consider dismantling it. Following today's revelations, the case for doing so seems clear. This view has been regularly expressed by Members on both sides of the House.

Speaking of waste, the final bill for the e-voting machines appears to be €55 million. The misspending on the PPAR system in the HSE was described by the Minister for Transport, Deputy Dempsey, at the time in question as involving a very small amount. The time has come to rid the country of this waste and the wasters also. *Wasters* is the title of a well named book published recently.

Senator Joe O'Toole: On a related theme, namely, how we are spending our time, Members raised a number of points about numbers yesterday. There are only three Government Bills on the Order Paper. Six Seanad Bills are not being dealt with in the Dáil and there are 16 Private Members' Bills on the Seanad Order Paper. I make this point to see if the Leader will consider addressing it. If the Government cannot produce business, there are plenty of others who can. I ask the Leader to order the taking of some of the Private Members' Bills mentioned, if only to point out to the Government and the world at large that we can do our work.

Continuing on the theme of Senator Cummins's contribution, the Joint Committee on Communications, Energy and Natural Resources dealt yesterday with the issue of 116000 telephone numbers, an issue I have raised many times in this House. It is to this number, which should be available throughout Europe, that one reports a missing child. Ireland has decided, thus far at least, not to put this number into operation. While that is bad enough, what I have to say next is something which could only happen in Ireland. We are transposing into legislation a European directive which requires Ireland, during the course of the next year, to promote an awareness of this number in the context of missing children, yet the number will not be in operation here. We have refused to put this number into operation but will be promoting an awareness of its existence in Ireland and all over Europe, which is extraordinary, appalling and outrageous. Europe should take a hand in this matter. We are all aware of the importance of these numbers. Approximately three quarters of all children who go missing are dead within the first day and, as such, time is very important. I ask that the Minister for Justice and Law Reform or Minister of State with responsibility for children come into this House and explain why Ireland has not done its work in this regard, why we are not operating this number and what is wrong with our arrangements that we cannot do this.

We need a discussion on the issue of consensus among the parties, although not the type of discussion we had here yesterday. Consensus does not mean everyone blindly agreeing to everything. The Opposition's job is to oppose, question and scrutinise.

Senator Paul Coghlan: Hear, hear.

Senator Joe O'Toole: The Opposition is being asked to make its approach known. I believe it is attempting to do this. The Government should acknowledge this and should be reaching across to the Opposition's points of view to ensure whatever is produced next month in terms of a four-year plan responds to and reflects what the Opposition had to say. It should also indicate what Opposition proposals have been taken on board in order that there can be a patriotic coming together to solve the mess we are in.

Senator Ivana Bacik: Yesterday, I called for a debate on No. 12 on the Order Paper, the Climate Protection Bill 2007. I asked that that Bill be debated in the context of the meeting of the Cabinet sub-committee on climate change and energy security which, I understand, was

scheduled to take place at 2.30 p.m. yesterday and was cancelled, having last met a year ago in October 2009. There is no indication when the Cabinet sub-committee will next meet. I do not understand why, in a week when we have had no legislation to deal with in the Seanad, we cannot debate a Bill listed on the Order Paper.

Senator David Norris: Hear, hear.

Senator Ivana Bacik: I ask that the Order of Business be amended to allow a debate on No. 12. It is time, in this the second day of a two-day sitting, that we debated some legislation. There is all party consensus on this Bill. My colleague in the other House, Deputy Liz McManus, pointed out yesterday that a Joint Committee on Climate Change and Energy Security report sets out a text for a climate change Bill. Deputy McManus proposes to put that legislation before the Dáil. There is cross-party agreement on the need for binding commitments in legislation on this and successive Governments to reduce carbon emissions year on year. We are obliged at international level to sign up to this type of binding commitment. I do not understand the reason we cannot have such a debate today or the reason we cannot reach some consensus on this matter at a time when the Government is seeking agreement from the Opposition on all manner of other issues on which it would be most inappropriate for us to agree. The climate protection legislation is something on which we all agree. Let us have that debate today.

I also call for a debate on two other issues on which there is agreement. I ask that the Leader inform the House when the legislation to prohibit female genital mutilation will come to the House. Colleagues will recall that I had a Bill before this House on behalf of the Labour Party which was accepted in principle by the Minister and in respect of which she promised legislation would be brought before us. I note it is included in the priority list of the legislative programme. When will that debate take place? When is the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010, on which there was almost unanimous agreement in this House when the legislation was debated in June and July, likely to be in force? I have been approached in this regard by numerous people who are engaged and waiting to set a date for their nuptials.

Senator David Norris: Hear, hear. So have I.

Senator Ivana Bacik: They want to do it and these people want to know when the legislation is likely to come into force.

Senator Dan Boyle: I agree with Senator O'Toole that consensus is not the same as unanimous agreement. What we need to have agreement on, in terms of our economic situation, are headline figures and the areas in respect of which decisions must be made, without the specifics in capital, current and additional taxation measures over the next three to four years. It is important for international confidence that we seek that type of agreement. If there are difficulties for Opposition parties in acquiring information from Departments, these need to be overcome. Everyone must be fully involved in this process.

On the call for a debate on the climate change legislation or the Bill proposed by Senator Bacik, it would be in order to have such debate, especially given the Cancun discussions will take place in the coming months. The difficulty is not a political one. There are ongoing meetings of senior officials of various Departments on this legislation. The heads of the Bill have been largely agreed. There is one area of disagreement which appears to relate to who is responsible for what in departmental terms. I am confident this disagreement can be overcome within the next fortnight or so. The difficulty with debating alternative legislation is that not

[Senator Dan Boyle.]

alone do we have Senator Bacik's Bill in this House, the Joint Committee on Climate Change and Energy Security is considering producing a second version of its Bill.

Senator Joe O'Toole: We are frustrated with the lack of progress being made by the Government.

Senator Ivana Bacik: Hear, hear.

An Cathaoirleach: Senator Boyle, without interruption, please.

Senator Donie Cassidy: There is only one Deputy Leader in the House.

Senator Dan Boyle: We have three potential Bills to debate before the Government presents the heads of the legislation it is fully intent on providing. This situation should be resolved within two weeks. If not, I would be prepared to support debate on the alternative legislation.

Senator Dominic Hannigan: Is Senator Boyle saying he will vote with us?

Senator Dan Boyle: I am stating my personal frustration on this matter. People can take that whichever way they want.

Senator Ivana Bacik: An end to oppositional politics.

Senator Paul Coghlan: Hundreds of thousands of euro has been spent on the construction and staffing of a hospital which does not yet exist. I understand planning permission has not yet been sought. This is a huge waste of money. On the other hand, a new state-of-the-art hospital — I have only seen it from the outside — in Dingle, County Kerry, which has been in place for the past two years——

An Cathaoirleach: I must ask the Senator to turn off his mobile phone. I am tired of telling Members not to bring phones into the Chamber.

Senator Paul Coghlan: You are right, a Chathaoirligh. My sincere apologies. I did not even know the damn thing was in my pocket.

Senator Mary M. White: That is a Kerry joke.

Senator Paul Coghlan: I am being distracted. Friendly fire.

An Cathaoirleach: The Senator's phone caused interruption yesterday also. The sooner he leaves it outside the Chamber, the better.

Senator Paul Coghlan: The situation in Dingle is serious. Approximately €16 million has been spent on the construction of a new hospital. While this hospital has been in place for the past two years, patients currently located in the 19th century building have not yet been transferred to it. That is shocking waste. We now know that a number of Departments are lethargic in terms of what they should be doing in pursuance of the Croke Park agreement and cutting out waste.

I recently heard that an official in a Department, whom I will not name, told a body under the aegis of that Department that he was not interested in making savings, that he wanted something else, which is shocking. What type of crazy——

An Cathaoirleach: Is the Senator seeking a debate on a particular issue?

Senator Maurice Cummins: On waste.

Senator Paul Coghlan: I am pointing out what is going on in terms of waste and setting out how we can make savings. We are all aware of the scandal in this regard. We should be doing something to address this issue. If a debate is what is needed, let us have it.

I call for a debate on banking. The Joint Committee on Economic and Regulatory Affairs held an interesting two and half hour session yesterday with the Financial Regulator, Mr. Matthew Elderfield.

An Cathaoirleach: The Senator's time has elapsed.

Senator Paul Coghlan: The Leader will be aware of the pertinent points made yesterday by Senator Ned O'Sullivan and others, with which I agree. Much of the nitty gritty of this issue which has not yet been resolved could be debated in this House.

Senator Labhrás Ó Murchú: Last week I did not have an opportunity to acknowledge Senator Bradford's balanced and coherent contribution on the need for partnership in politics to find a way forward from the current crisis. As Senators may recall, during the first couple of months of the recession I regularly made the same point on the Order of Business. While my contributions on the issue are virtually ancient history, I have consistently pointed to the need for the House to reflect on the challenges and suffering people are enduring. It was interesting to note recently how the pendulum swung back and forth between the political parties. As I watched various current affairs programmes on television, it became clear that spokespersons were reflecting what they were hearing daily on the ground and I wondered whether it would be possible to bring together their views before they were diluted. If we do not park partisan politics for a period, we will send the wrong message abroad.

While we are all upset about the position in which we find ourselves, constant references to the downturn and other negative factors are being picked up and reported abroad, which does not help our credit rating. What is the way forward? It may not be possible to find one honest broker to bring together the various interests, but the Seanad could assume this role. This Chamber has representatives from business, the trade unions, the professions and the academic world. Will the Leader agree, as an indication of leadership from the House, to have a full day discussion focused entirely on how we can achieve consensus in this matter? I do not expect to achieve unanimity among the parties. Such a discussion should take place immediately, rather than in three weeks' time. I am convinced the House is the only honest broker at this time. We need to listen to various views and find a solution to the current crisis.

Senator Shane Ross: I was a little surprised when I received the schedule of business for the week. Senators are extraordinarily frustrated at what is taking place in the House. When one receives a schedule indicating that the House will debate the economy on Wednesday and the smart economy on Thursday, one must ask whether the Seanad is being completely politically neutered. This is what is happening. Yesterday, on the Order of Business, we heard some constructive suggestions about what the House should debate. Senator O'Toole, for instance, referred to the Croke Park agreement. While I do not share his views on the agreement, it is a current issue which should be debated in the House because it is vital to what will take place outside. Instead, we chose to have statements on a general subject. Such a debate does not have any effect because no one takes a blind bit of notice of what Senators have to say on the economy in a general discussion. The House is becoming irrelevant.

Senator Donie Cassidy: The Croke Park agreement will be discussed next week.

Senator Shane Ross: Why is it not being discussed this week?

Senator Donie Cassidy: Let us discuss the economy first.

Senator Shane Ross: I am glad the Leader raised this matter because he is responsible for the Order of Business. Why, in the name of God, did we not debate the issue of waste in the Health Service Executive or the position with regard to SIPTU yesterday? A good case can be made for debating the role of trade unions. Did the Leader know that partnership money was regularly provided for trade unions? I did not know that was the case. The position is that the House will not debate the issue because it is awkward for many Members. It is, however, the type of issue we should be debating.

More good work is being done in the committees, which are relevant and responding to immediate issues, than in this Chamber. Let us debate SIPTU, the HSE and the power of the trade unions, of which everyone is so scared. I pleaded for months and years for debates on FÁS, but the Leader would not listen. Why did he not hold such debates? The reason was that it was a politically sensitive issue.

Senator Donie Cassidy: That is not true.

An Cathaoirleach: The Leader may respond later.

Senator Shane Ross: Now that the horse has bolted, everyone is on the same bandwagon condemning what took place in FÁS.

Senator Donie Cassidy: The Senator had his say on “The Late, Late Show”.

Senator Shane Ross: Let me set the Leader a final test. I challenge him to arrange a debate on CIE which will be the next disaster. He will not have such a debate because he wants to protect it. Instead, we will debate the issue after the disaster.

Senator Paschal Mooney: I will not be diverted from my initial intention to congratulate our colleague, Senator Ross, on his latest opus which he launched last night. I look forward to reading it.

An Cathaoirleach: We will not discuss anyone’s book on the Order of Business. Senators must put questions to the Leader.

Senator Paschal Mooney: I raise the issue in the context of economic debate. I hope the Leader will buy Senator Ross’s book and wish the Senator well.

It has been brought to my attention that rural post offices are again under threat, particularly postmasters and postmistresses, primarily because Eircom has recently introduced a minimum payment of €20 for those paying bills at post offices. Moreover, O₂ has unilaterally switched all of its customers to electronic billing systems, forcing those who wish to continue with the normal BillPay arrangements to revert to that system. These moves are an attack on the most vulnerable, particularly elderly persons who collect their social welfare payments at post offices and pay utility bills by instalments of €5, €10 or €15. While this issue may appear to be far removed from high economics, it relates to those who must watch every euro coming into their household, of whom there are many. Moreover, the measures taken by Eircom and O₂ run completely contrary to Government policy and the sentiment of Members of both Houses who wish to protect and defend the vulnerable. Eircom has had a number of corporate owners and made millions of euro for an obscure international corporation to the detriment of the taxpayer. Its unilateral decision not only affects the income of rural postmasters but also attacks the

vulnerable. The focus of my contribution is, however, on the need to protect those who are most vulnerable, as distinct from the wider issue of Eircom. Will the Leader ask the Minister for Social Protection to respond to the growing concern being expressed across the country about this matter?

Senator Paschal Donohoe: I ask the Leader to arrange a debate on a report in today's newspapers that an overtime bill of €1.74 million is being paid to clear the backlog at the Passport Office where staff went on strike causing major difficulty and upheaval for a large number of people. We now find that one of the consequences of clearing the backlog created by the strike was that the office paid an additional sum of €1.74 million in overtime payments. The country faces a real danger arising from our current difficulties and many of us believe the direction we have taken will lead us onto the rocks. When issues such as that reported in today's newspapers arise, Members have a duty to take a stance on them. We must say this is wrong, public money should not be spent in this manner and the losses incurred during the strike should not be doubled by paying overtime to address the backlog created by the strike. One of the extraordinary explanations given for the additional bill was that many of those who left the country for the millennium in 2000 had their passports renewed this year. I ask the Leader to arrange a debate on the matter.

On Senator Boyle's measured contribution on what consensus involves, a realistic goal for the political system would be to reach an agreement on the objectives the country should achieve in the years ahead. The Government should brief the Opposition on the current position. The Opposition should also be provided with information on the additional payments that may be required of the country in the coming years. As matters stand, those of us in opposition are being asked to agree to a plan, the contents of which we do not know. In addition, we do not know what strategy is to be employed or the extent of the difficulties the country faces. In such circumstances, we are being unreasonably blamed for not agreeing to a plan, on which we have no information.

Senator Mary M. White: I wish to advise colleagues that Sunday next, 10 October, is World Mental Health Day, the objective of which is to create greater public awareness and understanding of mental health and mental illness issues. Despite the fact that people are prepared to discuss the issues of suicide and self-harm to a much greater degree, there remains a high level of ignorance and sharp criticism and intolerance of those who suffer from mental illness. When addressing a conference on suicide in Sligo on Monday last, Professor Keith Hawton, professor of psychiatry at Oxford University and also director of the centre for suicide research there, stated hospital staff tended to view patients who presented in accident and emergency departments following incidents of self-harm in a poor light. He also stated minor intervention could assist in preventing repeated self-harm and suicide. Training and knowledge are critical in understanding human beings and the pressure under which they operate. There has been an increase in the levels of suicide and self-harm in the past two years. Much of the increase is due to the economic recession.

I draw attention to an article by Councillor John O'Shea — the youngest member of Cork County Council — which appeared in *The Corkman* newspaper, in which he indicates that he attended an ASIST course at IRD Duhallow and states his commitment is to cater for the needs of the communities in Leharin and Lombardstown, County Cork. He also states the course took the form of a two-day workshop which focused on applied suicide intervention measures which educated him in how to interact and connect with people who may be feeling suicidal, invite them to explore and discuss their feelings and, with their consent, increase their immediate safety by offering the necessary resources and support. In conjunction with the level of alcohol consumption and the economic recession, this is one of the most important issues

[Senator Mary M. White.]

the country faces. I want all Members to look out for their friends and people they know and talk to them to discover if they are depressed or lonely. One should not be afraid to ask a person if he or she is depressed or feeling suicidal. I recently found myself in the position of being able to provide assistance for someone in trouble. This is a critical issue.

Senator David Norris: I second Senator Bacik's amendment to the Order of Business. With regard to the debate on the economy, there is a series of ironies which depend on context. It is extraordinary that today we are hearing more about the enormous waste within the HSE. We must place this matter in context by reflecting on the fact that the HSE proposes to charge the terminally ill, the unemployed and the homeless 50 cent for every prescription item. I demand that pressure be exerted on the HSE and the Government to have this charge withdrawn.

It is also extraordinary that not only has the Fitch credit ratings agency downgraded Ireland's sovereign debt but also that it has begun to tell the Opposition what it should do. A couple of years ago it informed us that we should get rid of the Government. It is time someone put manners on these ratings agencies. We should approach our neighbours in Europe and suggest the activities of such agencies be scrutinised and, ultimately, that they should be replaced by a fully independent international ratings agency.

During yesterday's debate on the economy which, as one of my colleagues noted, was ignored I pointed out that estimates indicated that the net flow of income from the Corrib gas field during its lifetime would be €500 billion. That amount is some ten times greater than our exposure to the banks. We are letting Shell get away with not paying one cent, while we are being given the privilege of being allowed to buy our own oil and gas at market rates. We must renegotiate with Shell in the name of the people. The Prime Minister of Russia, Vladimir Putin, did so. Why should we suffer when this vast resource is available to us? I am informed that the contents of the Corrib field represent only the beginning of what is to be found.

I reiterate the call I made yesterday in respect of the National Pensions Reserve Fund and the need for legislation to be introduced. There is only one minor legal hitch which prevents our own pension funds from benefiting from the exorbitant rates being charged. Why should the rest of the world benefit from the impoverishment of our country? There is a need to consider the legislative steps that might be taken in this regard. I am trying to be of assistance by suggesting the legislation which needs to be introduced. In that context, legislation relating to the release of census data must be brought forward. This House, in passing the Statistics Act 1993, amended the position in order that census figures could be released after 75 years. In 1961 the then Minister for Justice, Charles Haughey, arranged for the data from the 1911 census to be released after only 50 years. That information is now available on the Internet. This is an extremely positive development because the registration of births only commenced in 1864. People who were aged over 62 years in 1926 -when the first census following independence was taken were born prior to the introduction of civil registration. Therefore, there are no records relating to their births. If we were to publish the 1926 statistics — almost 75 years have passed and, as stated, Mr. Haughey released the 1911 statistics in 1961 — we would be given the first snapshot of society in this country after 1916. Imagine the benefits that would flow from the tourism, to which this fantastic resource would give rise. Fáilte Ireland could enjoy massive benefits. I have been asked by the Irish Genealogical Society to introduce a short Bill which would only contain a few lines of text in order to repeat what was done in 1961. There is no reason the 1926 census figures cannot be made available. The House could easily facilitate a Bill such as that to which I refer. I am of the view the Government would be receptive to this suggestion which would be good for the country.

Senator Maria Corrigan: I support Senator O'Toole's call that the Minister of State with responsibility for children come before the House to discuss the operation of the 116000 number, the established EU common number relating to missing children. The great advantage of the freedom of travel Europe offers has ironically presented a real danger to children who go missing. The established common helpline number for missing children ensures there is practical support available for such children, regardless of the country in which they find themselves. If something happens to a child, he or she can use the 116000 number to make immediate contact. Some 11 EU countries have put the number into operation, but all member states, including Ireland, have signed up to its introduction. At a bizarre meeting of the Joint Committee on Communications, Energy and Natural Resources representatives of the Department of Communications, Energy and Natural Resources and ComReg indicated that they had done their bit to ensure the number was up and running but that it was not, in fact, operational. Members who attended the meeting could not identify with whom the responsibility for making it operational lay. We did establish that from next year Ireland would promote the number and introduce legislation placing a legal imperative on the authorities here to do so. However, the number will not be operational. There cannot be a situation where there is a common helpline number for the 27 member states of the European Union but where people must guess the countries in which it is in operation. We cannot promote a number that is not operational. Not only would this be a waste of money, it would also be the source of real danger for children who go missing. I ask that the Minister of State come before us to discuss the matter.

I support Senator Mary White's comments on World Mental Health Day. The Senator referred to some of the programmes operated in this area, particularly the ASIST programme. I do not wish to over-simplify matters, but as the Senator was talking, I was struck by the fact — particularly in the context of the times in which we live — no one really knew what were the personal circumstances of others they might meet. We will never know the value of a kind word or smile.

Senator Mary M. White: Hear, hear.

Senator Dominic Hannigan: I also support Senator Mary White's comments on World Mental Health Day. The position on suicide is becoming extremely serious. Historically, this issue has been associated with bullying in schools etc. In recent years and as a result of the economic recession, many more people took their own lives because they could not see a way out. Most Members will have experience of this problem as a result of meeting people who have nowhere left to go to and who are not sure how they can negotiate the current crisis and who either visit their clinics or contact them by telephone. There must be awareness of any facilities or resources available for people suffering from depression, and we must spread the word and be vigilant in helping people reach out in this respect.

I second the proposal made by my colleague, Senator Ivana Bacik, for taking the climate change legislation today. I have heard the Deputy Leader's words but I am sure he will forgive me as my experience of his words lead me to take this promise with a grain of salt.

Senator Ivana Bacik: Hear, hear.

Senator Dominic Hannigan: He promised before that we would have legislation for a Dublin mayoral election and we have been promised reform of the Seanad but nothing has happened. I prefer to hear the comments from the Leader's own mouth before I take the Government at its word on the matter. We will be pushing the issue of climate change to a vote.

On the lack of legislation and debate this week, meaning we did not sit on Tuesday, there are issues I would like to see raised and I know we have cross-party agreement on the need

[Senator Dominic Hannigan.]

for a debate on our diaspora. Senator Labhrás Ó Murchú and others have spoken about it and called for a debate, specifically as it relates to facilities and resources made available to our diaspora. Will the Leader arrange in this session — even within the next four weeks — to have a debate on the Irish diaspora?

An Cathaoirleach: Senator Buttimer missed out yesterday and was here from the start of business today.

Senator Jerry Buttimer: I join Senator O'Toole in asking that we have a debate on what the Government means by consensus politics and what is planned for the upcoming budget. To me, a consensus is not having Fianna Fáil dictating with the rest of us following and jumping to its tune. A consensus is a process involving meaningful interaction between the three parties. Fine Gael proposed an alternative budget last year, as well as an alternative to NAMA and bank recapitalisation. The Government did not accept one suggestion from Fine Gael, whether it related to job creation, the environment or legislation in this House. As Senator O'Toole rightly mentioned, consensus is a two-way street.

I ask for a debate on the elimination of waste in our public bodies. It is appalling that yesterday and this morning the HSE has been embroiled in further controversy on the waste of taxpayers' money. I applaud SIPTU for the role it took when it put money into an account, which it did not have to do. Equally, it is time to consider in detail the number of quangos and their cost to the economy and taxpayers. How many are useful or serve a purpose, and how many can we do without? Do we need any of them? They were primarily set up by the former Taoiseach, Deputy Bertie Ahern, to patronise his friends and supporters, but he is now gone and we live in a different economic world. We should have a debate on whether we can get rid of quangos.

Senator Marc MacSharry: I do not doubt the ability of Fine Gael or other Opposition parties to provide effective opposition over the years. What is on offer this time is different, historic and new. I recommend that Deputy Noonan, the deputy finance spokesman in the Dáil, Deputy English, Senator Twomey and others take the opportunity to go to the Department of Finance each week over the next few weeks with proposals and have them costed. That was never offered before. We can then see what aspects of the proposals can be integrated into the plan.

Senator Maurice Cummins: We want to see the Fianna Fáil plans.

Senator Marc MacSharry: There should be no interest in beating each other up any more about one manifesto being better than the next. It is a genuinely historic offer that must be taken up. That has been the theme throughout the Houses over recent weeks so we should move on with it. People will have the opportunity to air electoral politics in due course.

Senator Paul Coghlan: There is nothing historic about it.

Senator Marc MacSharry: We must be mature and serious about embracing this opportunity. I ask in this context for a debate on the issue of employment so that we can feed into the process. Over recent days we have seen IBEC, the Union of Students in Ireland and Social Justice Ireland come up with a number of proposals for extensive internship programmes. In particular, Social Justice Ireland, which is Fr. Seán Healy's organisation, cast its mind back to a pilot programme done by a coalition Government between 1994 and 1998 whereby the long-term unemployed could get part-time employment and were paid the hourly rate for it. They worked the number of hours equal to the social welfare rate of the day with a little top-up. Social Justice Ireland believes up to 100,000 part-time jobs could be created in this regard,

which would be worthwhile. With the IBEC and USI proposals for an internship programme, it could form a fantastic solution for very difficult times.

I also ask for a debate on how best to invest the National Pensions Reserve Fund. I would like to explore the possibility of investing €4 billion of this with the State effectively taking equity in the small and medium enterprises sector. That would provide a good stimulus to that end of the economy, which it requires, and the businesses could be given the opportunity to buy the equity back over three to five years. These are the kinds of ideas, whether unfounded or not, I put forward. I would like to hear from the Opposition parties to see whether their ideas can form part of the plan for the next four years.

Senator Feargal Quinn: The citizens have been asked to take many cuts and tighten their belts and I wonder if there is something which can be done to extend an example here. Senator Buttimer referred to the number of quangos that exist and an *bord snip nua* pointed out the very large number of those which exist. A Minister told me that by the time——

An Cathaoirleach: There appears to be a problem with the sound recording.

Senator Donie Cassidy: It is back again.

Senator Feargal Quinn: Am I talking too much?

Senator Mary M. White: No, the Senator is all right.

Senator Camillus Glynn: What did the Senator do?

An Cathaoirleach: I would like the Senator's valuable contribution to be recorded.

Senator Feargal Quinn: My wife tells me I talk too much.

Senator Camillus Glynn: She is an expert.

Senator Feargal Quinn: Shall I proceed?

Senator Donie Cassidy: It is not being recorded. There is a dry joint on Senator Boyle's microphone.

Senator Feargal Quinn: There is a light on the Leader's microphone.

Senator Mark Daly: The Senator might use the microphone that is working.

Senator Donie Cassidy: I would have no problem with the Senator making a contribution on this side. It is a good idea.

Senator Feargal Quinn: I have not offered to cross sides.

Senator Donie Cassidy: There is a live microphone here.

Senator Feargal Quinn: I thank the Leader. An *bord snip nua* proposed a number of cuts and pointed out the number of quangos that exist. A Minister told me that whenever members of one of those many hundreds of quangos want to see him, a public relations officer invariably would be appointed. Do we still have sound problems?

Senator Donie Cassidy: No, we are okay.

Senator Feargal Quinn: I suggest that if we are asking citizens to accept cuts, some should take place in the Dáil and Seanad. While we cannot reduce the number of Senators without a referendum, Article 16 of the Constitution states there should be not less than one Deputy for every 30,000 in the population and not more than one Deputy for every 20,000 in the population. These can be fixed by law and not the Constitution. Over the years we have always gone for the largest number of Deputies. I have not been able to work out the sums but if we decided to have a number of Deputies closer to one for every 30,000 people rather than 20,000, there would be a dramatic reduction in the number of Deputies. I suggest that is something we should consider in these Houses immediately. I am sure the Government would approve such a move to reduce the number of Deputies.

Senator John Hanafin: In the light of what happened in Hungary this week, will the Leader ask the Minister for Communications, Energy and Natural Resources to attend the House for a debate on tailing pond storage? Toxic waste from a tailing pond has now entered a tributary of the River Danube. Looking at the amount and colour of the toxic sludge on television reports, the environmental damage and the number of deaths caused, we need to check the tailing ponds attached to mining developments in this country. A similar accident would have a devastating effect on our ecology. I do not know how the authorities in Hungary will be able to stop the sludge reaching the Danube, one of the most beautiful rivers in Europe, and deal with the long-term effects on the area's environment.

I support the calls made earlier in the week for a debate on the recent bombing in Derry. Having achieved peace in the North that we all hope will be a lasting one, we must be clear in asking anyone with information on the bombing to come forward in order that the criminals involved can be brought to justice. There is no justification, no possible rational argument, nothing that underpins the bombing, except violence for the sake of violence. I call for a debate on the ongoing threat posed by the Real IRA.

Senator Lisa McDonald: I call for a debate on waste in public bodies. Many examples in the HSE, FÁS and CIE have emerged in the last while. The whole system needs to be shaken up.

When we speak about Seanad reform, the debates that do not take place or the legislation that is not brought before the House, it is very easy to blame the Leader. I am not sure where the blame lies, but all I know is that I do not want to feel like a jobsworth coming here every week just for the sake of it. I would rather not come than come to do nothing. It is a serious issue, one which we need to put to the other House. We need to have controversial debates here in order that we will be listened to, whether by statements or otherwise. Why not have a debate next week on waste in the public sector?

Senator Paul Coghlan: Hear, hear.

Senator Lisa McDonald: Last week I noticed that County Wexford Vocational Education Committee had been allowed to place an advertisement in the newspapers to run the school in Gorey when the people's choice, an Educate Together school, did not have a cent to spend. The vocational education committees need to be examined in a debate on waste.

Yesterday it was brought to my attention that Allied Irish Banks was subcontracting solicitors from large firms who were being paid double what solicitors in the bank were being paid. Why is this allowed to happen? What are we doing about professionals' fees in such cases when we know how much NAMA will cost? What is the due diligence process in the case of the banks and NAMA? If these questions are not asked in the other House, Senators should ask them here. A debate on professionals' fees in the case of NAMA should take place here next week. Is it okay for the chairman of NAMA to admit professionals will be paid €16 million when this

could be billed to the banks? It is nothing short of a disgrace. We need to have a debate on the issue and the Seanad to be a little more radical. If we do not become more radical, we will, as the old adage goes, become redundant.

Senator Mary M. White: Hear, hear.

Senator Paul Coghlan: Members on this side of the House are right behind Senator McDonald. I hope the Leader takes note of this.

Senator Donie Cassidy: Senators Cummins, O'Toole, Bacik, Boyle, Coghlan, Norris, Buttimer and McDonald expressed their concerns about costs in the HSE, banking and other areas. I will have no difficulty in requesting the Minister for Health and Children to update the House on HSE spending and the alleged waste of moneys highlighted in the media for several weeks and all other matters pertaining to her portfolio.

As the Deputy Leader outlined to the House in responding to Senator Bacik's query about climate change legislation, we expect the Government's Bill to be ready in the next two weeks. As soon as it is, I will make an approach to have it initiated in this House.

Senators O'Toole, Corrigan and McDonald raised the issue of the telephone helpline to report missing children. I support all of the sentiments expressed and will convey the Senators' views to the Minister.

I will make inquires, as requested by Senator Bacik, as to when the Civil Partnership Bill will come into law and come back to her directly on it.

Senators Coghlan and McDonald called for a debate on banking charges and professional fees being charged for NAMA. I will have no difficulty in having another debate on banking.

Yesterday the House debated the national economy and today it will debate the smart economy. It takes four to five days to have a Minister's diary made available to arrange a debate in the House. In all the years I have been Leader of the House I cannot ever recall refusing a request for a debate on any aspect of government expenditure. Senator Ross made his personal views on the issue known. As I said on the Order of Business yesterday, a debate, urgently required, on the Common Agricultural Policy will be held next Tuesday.

Senator Paul Coghlan: We also need a debate on CIE.

Senator Donie Cassidy: On Wednesday the House will debate the Croke Park agreement. The debate on the national economy was wide-ranging and everyone was able to discuss issues concerning their various portfolios. That is why I included it in the agenda for the first week of the session. Debates will centre on each individual portfolio, starting with the Common Agricultural Policy on Tuesday and the Croke Park agreement on Wednesday. I know of the level of interest in the latter topic and expect the debate to roll over to the following week. If any colleague wants to have a debate on any portfolio, I will have no difficulty in endeavouring to have it take place.

I watched yesterday's committee's proceedings on "Oireachtas Report" last night, during which Senator Ross raised his point on waste in CIE. There is no problem if he wants to have the issue he raised at the committee debated in the House. I do not stifle debate, rather I encourage it. I encourage all colleagues to participate in debates.

Senators Ó Murchú and Hannigan outlined the need for partnership in politics, reiterating the remarks made by Senators Bradford and MacSharry last week. Senator Ó Murchú has vast experience and makes a large contribution to debates in this House. He is one Senator whom

[Senator Donie Cassidy.]

everyone loves to hear addressing the House. I will do everything I possibly can to broaden the proposals he made this morning, as well as Senator Hannigan's on the Irish Diaspora.

Senator Mooney called for a debate on rural post offices with the Minister for Social Protection. I will have no difficulty in arranging such a debate in the near future.

Senator Donohoe raised the matter of the clearing of the backlog created by the strike in the Passport Office at a cost of €1.74 million in overtime payments. The Passport Office is self-financing and makes a substantial profit. I accept the Senator's point about the excuse made that many of those who left the country for the millennium in 2000 had to have their passports renewed this year. Extra staff, however, had to be taken on to deal with the backlog in order that constituents and customers could obtain passports to leave the country. The Passport Office is one of the public offices making a substantial contribution to the Exchequer.

Senators Mary White and Hannigan raised the fact that next Sunday is World Mental Health Day. I again compliment Senator Mary White on bringing this to the attention of the House. I also compliment the youngest councillor in Cork, Councillor O'Shea. As Senator White said, there will be a convention in Duhallow on these important issues. She also referred to the difficulties being experienced by many families because of suicide. We will do anything we can to help and assist. This House has no difficulty in having the Minister of State, Deputy Moloney, come back here as he has done on many occasions. He has been completely supportive of this House since he became a Minister of State.

Senator Norris expressed his strong views on the need to re-negotiate with Shell, in particular with regard to what is happening off the west coast, to see if the Exchequer can benefit further. While it is something we must consider for the future, I do not know whether we can do anything retrospectively. I will pass the views of the Senator on to the Minister. The Senator also proposed that the 1926 census figures be made available. As we all know, in particular those of us in the tourism sector, and I have a vested interest in this area, it is a huge tourist attraction. The interest of families coming to Ireland to meet their cousins, relatives and friends, and the excitement that generates, is unbelievable. There is huge potential in that idea, from a tourism point of view. I would have no difficulty in making this an all-party motion. We can discuss this in the House in the next two to three weeks.

Senators Buttimer, Quinn and McDonald called for a debate on the role of quangos. Senator Quinn called for a debate on the 30,000 threshold for membership of Dáil Éireann. We can discuss that in the future.

Senator MacSharry called for a debate on employment, in particular on internships, and the suggestions of the Social Justice Ireland group. Father Sean Healy made a proposal which Senator Ó Murchú and I have been working on with the Minister for the past two months. We hope to have something at a very advanced stage on which the Minister can make a major announcement soon. This is the possibility of creating 100,000 jobs for people to return to work within 12 months. It is something we owe to the younger generation to give them hope to get out of bed in the morning and have something to do in the day during this very difficult time. Senator MacSharry referred to how best the National Pensions Reserve Fund can be put to good use. He also outlined his proposals for a pilot scheme to see how SMEs can assist in this area.

Senator Hanafin referred to the Minister for Communications, Energy and Natural Resources, Deputy Ryan, and the difficulties being experienced by the people of Hungary with toxic waste. He referred in particular to the scenes we have seen on our television screens which showed the devastating effect it is having on the environment in that country. It shows

what can happen. It is something worthwhile and on which we should have a debate in the House.

Senator Hanafin also called for a debate on Northern Ireland and the difficulties being experienced there, in particular the bomb in Derry the other night. It is alarming and those of us who are going to Newcastle later today to meet our counterparts in the Northern Ireland Assembly will discuss and deliberate on that. I have no difficulty in having the matter discussed in the House.

An Cathaoirleach: Senator Bacik proposed an amendment to the Order of Business: “That No. 12 be taken today.” Is the amendment being pressed?

Senator Ivana Bacik: Yes.

Amendment put:

The Seanad divided: Tá, 18; Níl, 26.

Tá

Bacik, Ivana.
Bradford, Paul.
Burke, Paddy.
Buttimer, Jerry.
Cannon, Ciaran.
Coghlan, Paul.
Cummins, Maurice.
Donohoe, Paschal.
Hannigan, Dominic.

Healy Eames, Fidelma.
McCarthy, Michael.
Norris, David.
O’Toole, Joe.
Phelan, John Paul.
Quinn, Feargal.
Regan, Eugene.
Ross, Shane.
Ryan, Brendan.

Níl

Boyle, Dan.
Brady, Martin.
Butler, Larry.
Carroll, James.
Carty, John.
Cassidy, Donie.
Corrigan, Maria.
Daly, Mark.
Dearey, Mark.
Ellis, John.
Feeney, Geraldine.
Glynn, Camillus.
Hanafin, John.

MacSharry, Marc.
McDonald, Lisa.
Mooney, Paschal.
O’Brien, Francis.
O’Donovan, Denis.
O’Malley, Fiona.
Ó Brolcháin, Niall.
Ó Domhnaill, Brian.
Ó Murchú, Labhrás.
Ormonde, Ann.
Walsh, Jim.
White, Mary M.
Wilson, Diarmuid.

Tellers: Tá, Senators Ivana Bacik and Dominic Hannigan; Níl, Senators Niall Ó Brolcháin and Diarmuid Wilson

Amendment declared lost.

Order of Business agreed to.

Trading and Investing in a Smart Economy: Statements

An Leas-Chathaoirleach: I welcome the Minister of State, Deputy Kelleher to the House.

Minister of State at the Department of Enterprise, Trade and Innovation (Deputy Billy Kelleher): I am delighted to have this opportunity to address the Seanad on the subject of

[Deputy Billy Kelleher.]

Trading and Investing in a Smart Economy: A Strategy and Action Plan for Irish Trade, Tourism and Investment to 2015. This new Government strategy and action plan, which was prepared by my Department in co-ordination with all relevant Departments and State agencies, was launched last week by the Taoiseach. It replaces an Asia strategy, is global in scope and covers both existing and new high profile potential markets. The Government believes that Ireland's recovery will be export led. The potential for increased exports, tourism and investment to support well-paying jobs in this country is significant enough to demand a smart, concerted effort that maximises opportunities. Trading and Investing in a Smart Economy provides a framework to deliver on that demand.

With this new strategy for trade, tourism and investment, the Government aims to position Ireland for strong export-led growth to 2015 resulting in high levels of job creation and national prosperity. The strategy has set out a number of ambitious targets to be achieved by 2015. These are to create 150,000 new jobs in manufacturing, tourism and traded services — IDA Ireland will create 75,000, Enterprise Ireland will create 60,000 and tourism will contribute 15,000 — with a similar number of indirect jobs; to increase the value of exports by indigenous companies by 33%; to increase overseas visitors to 8 million; and to secure an additional 780 inward investment projects through IDA Ireland.

As the Taoiseach emphasised at the launch, this is the first ever integrated strategy of this nature. This new strategic approach recognises that as Ireland is a relatively small player in the global marketplace, it is critical we go forward as a coherent team when promoting our economic interests abroad. This joined-up approach is even more necessary when trying to gain or increase our foothold in new high-potential growth markets. The fact that the Taoiseach was accompanied at last week's launch by the Minister for Enterprise, Trade and Innovation, Deputy Batt O'Keeffe, the Minister for Tourism, Culture and Sport, Deputy Mary Hanafin, the Minister for Agriculture, Food and Fisheries, Deputy Brendan Smith, and me underlines the strong high level commitment of political support and the buy-in of this integrated and joined-up approach.

In Building Ireland's Smart Economy, the Government committed to developing an action plan for improving trade, tourism and investment links with new fast developing markets. In the context of the smart economy framework, Forfás recently published a review of Ireland's enterprise policy, Making it Happen — Growing Enterprise for Ireland. This review sets out a vision of Ireland's enterprise sector over the medium term based on sound analysis, with recommendations for Government across the breadth of the enterprise ecosystem that must be implemented if we are to capitalise on the opportunities presented by the already visible global upturn and create new jobs in Ireland. In fact, the world economy is expected to grow by about 4.4% this year. Obviously, this strategy is timely. We should be ahead of the curve and present in markets that are just beginning to blossom and expand as opposed to trailing in those particular areas. Trading and Investment in a Smart Economy builds on that review to detail how Government and its agencies will contribute to the achievement of high priorities and targets set out in making it happen. The strategy presents an in-depth analysis of our recent performance across three sectors and a suite of actions for building on existing strengths and driving trade relations in existing as well as new and emerging economies.

Our export performance in recent years has shown considerable resilience. That should be acknowledged and highlighted continuously. Exports, in particular in the services sector, have grown even in very difficult international market climates. This must be developed and expanded and must be promoted positively and continuously. There has been much negativity. I do not want to give a state of the union address here to the Seanad, but at the same time we

must highlight positive areas in the economy, in particular in the area of exports but primarily in the services sector which has grown in the face of a virulent world recession.

I was pleased to note the most recent data of Ireland's services exports published by the Central Statistics Office showed that the value of our services exports increased by 8% in the first half of this year compared with the same period in 2009. That said, our share of world trade is declining. In addition, Irish trade is geographically concentrated and is also concentrated in particular sectors, most notably chemicals, which has shown marked resilience the in recent downturn.

At least 85% of the value of total exports was from foreign owned companies. Many people have been speaking in recent times about our corporation tax. It is important that at every opportunity we point out that that is a matter for the Government of this country and that all political parties are committed to the retention of the corporate tax at 12.5%. Wherever people are speaking, it is important that signal is sent out in a strong, coherent message—

Senator Mary M. White: Hear, hear.

Deputy Billy Kelleher: —because uncertainty may lead to people retrenching and looking at other areas of the world in which to invest. Ireland is a key location for foreign direct investment. One of our cornerstones is our corporation tax of 12.5%. We have many other positive areas as well. We have a highly educated and flexible workforce. We also have a strong cohort of foreign direct investment companies located in Ireland. They are located for a myriad of reasons, but the corporation tax is a central plank in all that. I urge everyone when speaking at functions, when doing interviews or when abroad to reinforce that critical message that Ireland is open for business. There is uniformity in the context of political support across all parties for the retention of corporation tax at 12.5%. We may argue over other matters but that is something that is acknowledged by everyone.

Tourism has been affected by the paycales and nature of the adverse changes in the global and domestic economies. Ireland's relative position as a leading international location for value intensive foreign direct investment has remained strong and Irish outward direct investment stock and flow have consistently increased over the past decade, most notably to the UK and the wider EU. A number of emerging trends are expected to have a significant impact on the patterns of trade, investment and tourism in Ireland in the years ahead. These include new forms of foreign direct investment, convergent technologies, the impact of climate change and an increasing focus on services, changing demographics and consumer demands. We have the potential to grow our existing key markets further and to increase or gain a foothold in the high growth, high potential markets. The UK and the US will continue to be the key markets for Ireland given our strong knowledge and understanding of these markets, proven track record, historical and cultural links, the nature of the foreign direct investment base, and the geographic proximity in the case of the UK. There is also considerable potential to expand business with our eurozone partners.

For a long time, especially in recent years, many Irish companies were going for the low-hanging fruit of the UK market. Sterling was strong *vis-à-vis* the euro and it was a market where we had competitive advantage. No country can have an export-led policy based on the fluctuations of currencies and we are trying to encourage Irish companies to look further afield than merely the UK market to our eurozone partners with the same currency and to the high potential growth markets emerging in Brazil, India, China and other key areas.

The new and high potential growth markets such as Brazil, China, India, Russia, Japan and the Gulf states present distinct challenges in terms of language and cultural attributes as well as differences in business cultures, practices and regulations. The strategy recognises that

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developing a strong trade partnership with these countries will require a sustained commitment of resources, both financial and political, over the medium term to market Ireland across all potential linkages, from trade and investment to tourism, science and technology, and for the first time in a strategy of this nature there is an explicit recognition that our strong cultural identity in many of these markets will be harnessed to support our economic efforts. What we are trying to do is build a brand Ireland, a view of Ireland as a nation that has strong cultural links with particular countries and that is perceived around the world to be a friendly nation that is independent in every way and not aligned to any political views but, more importantly, to use that as a launch pad to open further economic ties and expand trade with those countries. For that reason brand Ireland is particularly important in harnessing our strong cultural identity internationally. St. Patrick's Day celebrations, even though often ridiculed, throughout the world are a key component in marketing Ireland not only in attracting foreign direct investment but also in raising awareness of what Ireland is about. Most of the St. Patrick Day's celebrations foster an image of Ireland across the world way above and beyond what our population size would determine. For that reason it is critical that in the next few years we build on brand Ireland and use all the resources at our disposal in the various agencies and Departments and through Government and intercultural and sporting links. For example, if one mentions the show "Riverdance", the Chinese will automatically know one is speaking about Ireland. We should use these strong cultural recognition factors to advance Ireland as a brand and develop further economic ties.

Sectors to be targeted include services, tourism, food, education, life sciences, software, next generation network enabled sectors, green technology, construction and the built environment, creativity, design and technologies for the ageing population known as the silver technologies. I have been profoundly struck by the acknowledgement internationally of the creativity of the Irish as a people. I have observed this when I have travelled abroad to promote Ireland as a destination for foreign direct investment or offer encouragement to Irish companies and find markets for them abroad. As a people, we can solve problems, come up with ideas, are imaginative and entrepreneurially oriented. We must build on these foundations. One sees small Irish software companies abroad devising solutions for multinational finance companies for financial services and the operations of other small companies across the spectrum, even extending to those in the food sector, which market high value-added quality foods. There is a recognition of such creativity abroad which might not be appreciated at home until one travels abroad and sees what small Irish companies are doing around the world in promoting their products and finding a market share which, in turn, creates employment opportunities at home.

The key strengths include our strong entrepreneurial, cultural, educated and highly skilled workforce, the significant power of the Irish Diaspora, a favourable tax regime, a strong transparent regulatory framework, EU membership which is critically important, our track record in attracting foreign direct investment, our strong indigenous sector and our reputation as a premium tourist destination. Key challenges are in the areas of cost competitiveness, access, transport links, telecommunications infrastructure and banking links.

Ireland's international reputation is a critical element in our export-led economic recovery and growth. Our international reputation has been under pressure arising from the national economic downturn. Positioning Ireland's brand and reputation in new growth markets and reinforcing positive measures about our brand and reputation in key existing markets will support export-led economic recovery and drive the delivery of the key objectives across a range of areas, including jobs, indigenous exports, tourism and foreign direct investment.

A number of key actions to support implementation of the strategy are identified. They are aimed at strengthening Ireland's international image and brand, strengthening in-country

presence and support, developing the internationalisation of our enterprise base, developing Ireland as a hub for global high technology enterprises and clusters, aligning visa policy with priorities in the strategy, support for small and medium-sized enterprises, continuing to develop international trade agreements, joint actions and partnerships with other countries, and effective engagement with the business community.

A foreign trade council, chaired by the Minister of State with responsibility for trade and commerce, will drive and monitor implementation of the strategy. In my capacity as Minister of State with responsibility for trade and commerce, I will meet the council within four weeks to commence a review of how we will ensure the strategy will be a living document, as it were, which everybody will embrace, ranging from those involved in the agencies and Departments to those in the private sector. We will discuss it with the key stakeholders in the next few weeks to ensure there is a buy-in and that it will be seen as a living document, a strategy that can assist Irish companies in finding new markets, presenting a positive image of Ireland abroad and, equally, at home to attract foreign direct investment.

The foreign trade council will meet at least twice a year. It is important to clarify at this stage that the new council will not be, as some reports have claimed, a new quango. The resources of the new trade council will come from existing resources within the Department of Enterprise, Trade and Innovation. It will be chaired by a senior official and me and all administrative work will be done by the Department. In case people think it will be just another quango, it certainly will not be.

Ultimately, the overall objective of the strategy and action plan is to marshal and co-ordinate the resources of the State in a way that best supports Irish firms of all sizes which are trying to trade and grow their business overseas. To ensure they meet the needs of Irish companies, my Department organised a series of consultations with representatives of the business community and business associations. One of the follow-up actions in the action plan is to make sure many Irish businesses which do not engage directly with any of the State enterprise agencies will be informed of the initiatives and actions set out in the document which could benefit them. I am amazed that some companies which are trying to export their products and services are still unaware of the supports available through Enterprise Ireland and other agencies. It is critical to highlight that there are State agencies in place to assist Irish companies in trying to find overseas markets.

We will also provide country specific intelligence on the identified priority markets, with a simple tool for evaluating export preparedness, for many small companies which are trying to gain a foothold in new markets and do not have the resources to identify new markets and become established overseas. These toolkits will act as a virtual one stop shop for these companies. Exporting to a new market can involve a high cost in carrying out market analysis, opening an office and having a physical presence on the ground. There are also cultural, legal and language differences which can have a huge impact on a small business in trying to establish itself. For this reason, we are establishing toolkits for various countries which will outline the do's and don'ts for those trying to break into these markets. Many small companies try to plough their own furrow, some of which have got lost along the way, while others have achieved great success. It is important that people are aware there are State agencies in place to assist them in that context and that they are more than willing to help any small company which approaches them.

Another initiative we will take is that of putting in place an institutional framework to follow up on feedback from the Irish business community through the setting up of thematic panels. The new trade council will set up these panels which may be at sector, country or regional

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level, with the participation of the relevant companies and sectoral experts. The panels will discuss issues raised and identify possible solutions.

The question may be asked as to whether we need another strategy at this time, as we already have sectoral strategies for trade, tourism and investment which are being implemented by the relevant State agencies, namely, Enterprise Ireland, IDA Ireland, Bord Bia, Tourism Ireland or Culture Ireland. However, Trading and Investing in a Smart Economy has the distinction of being the first ever integrated strategy to promote overseas trade, tourism and investment. The Department has brought together all of the Departments and State agencies involved in promoting Ireland abroad, namely, the Departments of Agriculture, Fisheries and Food, Tourism, Culture and Sport, Education and Skills, Foreign Affairs and Justice and Law Reform, and the relevant State agencies, namely, Enterprise Ireland, IDA Ireland, Tourism Ireland, Bord Bia, Forfás and Culture Ireland, to prepare the new strategy and action plan. Together we have agreed that this series of actions will add to the value of current specific strategies and enable all to achieve greater success.

There has been some discussion of the job numbers in the new strategy and the number of jobs targeted in other reports such as Making it Happen and The Capital Review and job targets already announced by the agencies involved. All of the job targets are consistent. For example, IDA Ireland's strategy, Horizon 2020, covers the period up to 2014, a shorter period than that covered by Trading and Investing in a Smart Economy which covers the period up to 2015. The Capital Review covers a longer period up to 2016. Therefore, its target of 158,000 new jobs is an extension of the combined jobs target of IDA Ireland and Enterprise Ireland of 135,000 in the strategy, Trading and Investing in a Smart Economy. In addition, as part of the Trading and Investing in a Smart Economy strategy, the tourism sector envisages the creation of 15,000 jobs in the period up to 2015, giving a total of 150,000 new jobs directly associated with exporting enterprises in manufacturing, tourism, internationally traded services and leading to the creation of a similar number of new indirect jobs. There is an approximate 1:1 ratio in that respect. It is well recognised that foreign direct investment has a strong spin-off ratio. Companies which enjoy good market share abroad can create a ratio of 1:1.

The ambitious targets we have set in the new strategy are predicated on growth in the global and domestic economies and we believe they are achievable. As we are all aware, the world economy has gone through a difficult period. This has had an impact, aside from the banking challenges that continue to be faced. The fact of the matter is that the world was in recession in 2009. It bottomed out in the early part of 2010 and it is now predicted that a growth rate of 4.4% will be achieved this year. Some of our key markets such as the United Kingdom and the United States are continuing to struggle. Growth rates in some eurozone countries are flat at best. However, there has been a pick-up in the German market.

The purpose of the strategy is to ensure we will have a presence in emerging markets. We need to be able to observe where markets are emerging, monitor trends in global trade and direct our resources to such markets before they become obvious hot spots for other countries to target. It is critically important that we target large emerging markets. We have a strong presence in China, for example, on foot of the success of the ten-year Asian strategy which came to an end last year. It involved doubling exports from €4 billion to €8 billion, but that target was exceeded by approximately €2 billion. This coherent strategy was based on an understanding of the need to use all of the State's overseas resources. It showed that if consulates, embassies, ambassadors and agencies worked together to ensure the Irish brand had a strong presence in certain countries, there was the potential for market growth, even for small companies, in large markets. Some Irish companies are operating successfully in key niche areas in such markets.

The Government support framework envisaged in the action plan is critical if we are to achieve the strategy's priorities and targets. The actions set out in the plan do not constitute a quick fix. We are not trying to reinvent the wheel. We intend to promote a new approach that adds clear value. Implementation of the plan will involve sustained, concentrated and co-ordinated efforts by all key Departments and agencies, including our embassies and consulates abroad. That will increase the effectiveness and efficiency of the supports we provide for Irish companies in overseas markets. Government support can ensure our trade, tourism and investment sectors are well positioned to respond smartly and effectively to emerging opportunities as the global economy returns to growth.

As a small and open economy with relatively low levels of domestic demand, Ireland relies on trade. As this country exports over 80% of everything it produces, it is vulnerable to cyclical downturns and upturns in the global economy. For that reason, we suffer more when the whirlwind arrives and benefit more when the trade winds blow. Both strategies — Building Ireland's Smart Economy and Making it Happen — reflect the emerging consensus among policymakers that Ireland's recovery will be export-led and that employment will be created through direct jobs and sustained secondary employment. They draw on the substantial body of dedicated research carried out by Forfás, including research on potential future partnerships. They also draw on the views of representatives of community and business associations and bodies involved in promoting exports.

I thank the Members of the House who contributed to the report on Ireland's foreign trade published by the Joint Committee on Foreign Affairs, under the chairmanship of Deputy Woods, earlier this year. The report made an important input into the work of preparing Trading and Investing in a Smart Economy. The action plan for implementation of the new strategy addresses many of the issues raised in the ten-point implementation plan in the joint committee's report. As I said, the overarching objective of the new strategy is to come up with an approach that can best marshal the full resources of the State behind Irish businesses which sell goods and services abroad. It is important that we acknowledge the constant work of Members of the Oireachtas at the various committees which is seldom reported, unfortunately. It is important to acknowledge that the ten points recommended in the joint committee's implementation plan have been built into the strategy which sets up new mechanisms to strengthen co-ordination and co-operation across all key Departments and State agencies involved in the promotion and development of trade and tourism and in investment at central and local levels.

The strategy and action plan do not guarantee that we will achieve the ambitious targets we have set. They are predicated on recovery in the global and domestic economies. As the Minister for Finance said some time ago, as a Parliament, society and individuals, we should debate whether we want to meet these challenges in a positive way. Would we prefer to cower back and say we are incapable of addressing the challenges posed by the current whirlwind? Ireland has shown for many centuries, at times when it faced many difficult challenges, that it is a resilient nation. We are facing huge challenges again. If we face them with confidence, in the belief we can overcome them, that will be a good start.

The negativity continually promoted and highlighted is sapping the confidence of individuals who may wish to spend money at home and affecting the image of Ireland abroad. I do not say this lightly. When I speak at public functions in other countries, I am often asked questions based on the negativity coming from this country. Nobody can hide the fact that we are in a difficult situation. We have to believe, however, that we can overcome these difficult times. This is not a partisan or party political statement. I have more interest in the success of this trade strategy as the father of three young children than I will ever have as a Minister of State. I genuinely believe we have to stand up and be counted. Negative publicity is sometimes promoted by our detractors in other countries too. Many would like to see Ireland default and

[Deputy Billy Kelleher.]

the euro undermined. Such a political view is being expressed by some media people, particularly in London. We should not fall into that trap. When we speak publicly, we should acknowledge where we are, while emphasising that as a resourceful, intelligent and rational people, we can deal with these challenges. We will be better for having dealt with them in a positive manner. We are addressing the wider systemic challenges of cost competitiveness and IT infrastructure in order that we will be in a position to capitalise on the opportunities that will present themselves as the global economy recovers.

There is ample evidence of the significance of the actions taken across the entire Government system to address the economic challenges. We have taken steps in the last two years to address key areas, for example, by sorting out the banking crisis, putting the public finances on the path to recovery and tackling our cost competitiveness. We cannot take any one of these issues in isolation. We cannot form the view that the banking crisis, as the result of the mistakes of previous Governments, regulators and Central Bank officials who took their eyes off the ball, is an issue that can be dealt with in isolation. It is a critical component in addressing how we can support small and medium-sized enterprises through the advancement of credit.

I have met the banks on numerous occasions to discuss this issue. Unfortunately, some of them, particularly AIB, have not been trying to help small and medium-sized businesses as much as they traditionally have. AIB was always positive in its support of the SME sector. I understand, however, that it has had to change its approach in recent times because of the difficulties in which it has found itself. Now that it has a new relationship with taxpayers, however, it has an obligation to assist small and medium-sized enterprises in these difficult times. The idea of starving small businesses of credit to shore up its capital base is unacceptable. We have relayed this to the banks on a number of occasions. Under the recapitalisation programme, Bank of Ireland and AIB are obliged to make available — not necessarily to lend — a sum of €3 billion per annum in the next two years. Therefore, a total of €12 billion will be made available to small and medium-sized enterprises as they try to access credit — the lifeblood of the economy — without which they will grind to a halt.

We have established the Credit Review Office, under Mr. John Trethowan, to analyse the lending patterns of banks. I ask every Senator who speaks at functions, attends business meetings or speaks at meetings of chambers of commerce to encourage those who make applications to the major lending institutions to do so in writing at the first stage. A critical component will be to get people to make applications in writing. Those who are not satisfied with the initial application can then appeal to a higher decision-making body within the bank and ultimately can go to the Credit Review Office. This is important because the Government wishes to ascertain the reason for the large discrepancies regarding the lack of credit that are reported by business organisations and which Members of the Oireachtas encounter on the streets every day of the week. I refer in particular to the manner in which the overdrafts of some small businesses are being reduced and converted into term loans, as such measures starve companies and businesses of cashflow.

The other area with which the Government is dealing is the huge challenge posed by the budget deficit. Obviously, this is the key issue facing the Government and the people in the context of the nation's future direction. The budget will be formulated over the next few months and will be presented to the Dáil in December. More importantly, however, the Government must send out a strong message that because of Ireland's vulnerability internationally, it is capable of making tough and difficult decisions. Another point that is acknowledged internationally is that the Irish people understand the difficult times in which they find themselves. Last year's budget was quite severe and involved the implementation of what have

been called austerity measures, cutbacks or whatever term one wishes to use. The Irish people fundamentally understand our position and what we must do.

Clear and decisive decisions and clear leadership now are needed from all political parties. Moreover, the broader brush of social partnership must stand up and be counted on this occasion to ensure this budget and the presentation of a four-year plan will be embraced by the majority of people. If this is the case, I am quite confident that internationally, we will be viewed as a nation that has the maturity to make decisions, which will stand us in good stead. This is not about being slaves to bondholders or international markets but fundamentally about the retention by this nation of its integrity and independence to make its own decisions as opposed to others commenting on it or threatening that they would be obliged to do it otherwise.

We showed our resilience during the 1980s when we experienced a very difficult recession with huge numbers of unemployed people. The fundamentals that formed the bedrock of our recovery in the 1980s are still with us. We are still a resourceful, smart and imaginative people. We still are a highly educated and flexible people and are an exporting nation. All these fundamentals are still in place and will form the bedrock of the recovery that I believe will happen very soon. A measure of confidence, belief, hope and a buy-in across the broad political base will be key components in ensuring we are recognised internationally to be dealing with our challenges upfront by ourselves and without any prompting from anyone else.

I hope this trading and investment strategy up to 2015 will receive broad support from Members. I note it has been broadly welcomed by all those who are involved in the promotion of Irish companies abroad or of Ireland as a location for foreign direct investment. This is about brand Ireland, using our resources and ensuring the world is aware of where we are. While we have a small footprint in geographic, demographic and economic terms, we are well known across the globe and are perceived to be a friendly people. I believe it is possible to build on our strengths as an economy, a people and as individuals within the cultural context and in respect of the rest of the world's perception of Ireland. Such perceptions are mainly positive but, unfortunately, some of the negative international commentary has emanated from home. This makes things more difficult for Irish companies abroad, for IDA Ireland or for anyone else trying to attract foreign direct investment or tourism opportunities to Ireland. I look forward to listening to the views of Members and note that, in general, the document, *Trading and Investing in a Smart Economy*, must be brought to life and supported by all agencies and Departments. There is genuine buy-in across Departments and Government agencies and what is needed now is genuine belief that this document can deliver on the ambitious targets it sets out regarding the creation of 150,000 jobs directly and a further 150,000 jobs indirectly.

Senator Paschal Donohoe: I welcome the Minister of State. He made the point that he has a greater investment in seeing this plan succeed as a father with young children than he does as a Minister of State. I will respond in kind in my comments on this plan as to how it can be improved and how Ireland's presence abroad can be strengthened in the difficult times in which we find ourselves. I will make a number of observations on the strategy outlined in *Trading and Investing in a Smart Economy*, which I have read, as well as a number of recommendations that should be implemented and which would go some way towards its improvement.

The Minister of State's contribution touched on a highly interesting issue, namely, the need for this plan. That is a very good question because as he acknowledged, many other sectoral plans are in place across the economy. This plan now forms the third part of the trilogy of documents that have emanated from the Government in respect of how export excellence will be delivered, with the middle one being the Forfás document the Minister of State has just

[Senator Paschal Donohoe.]

acknowledged. The benefit of deciding to implement an integrated strategy is that one makes choices. One decides to do something and, therefore, one will not do something else. This forms the basis of my principal observation regarding this document. While it would be difficult for anyone to disagree with all the elements and recommendations contained in the plan, that is its weakness. In the era in which we find ourselves, if a political party or a government puts forward a policy or recommendation with which everyone agrees, it is doing something wrong because clear choices will not have been made.

The evidence that such choices are not being made is illustrated on page 20 of the document which lists the markets and sectors on which Ireland will focus. The markets mentioned are the United Kingdom, the United States, the eurozone and high growth and emerging markets. There is very little else left as it states we intend to focus on the majority of the global economy. Moreover, the sectors detailed comprise tourism, food, education, life sciences, software content and gaming, green enterprise, construction, creativity and design and so-called silver technologies. This list details pretty much every area of business and industrial activity in which Ireland operates. For a document and plan like this to have a real edge and to be capable of making a difference, I contend that we should be laying out clear choices and priorities regarding what will and will not be done.

This leads on to a point in respect of diversification, about which this document emphasised two interesting points. The first pertains to market diversification and the second to export diversification and they illustrate two vulnerabilities that Ireland faces at present. In respect of market diversification, it indicated that 40% of our entire export performance is dependent on three countries. Moreover, it made a point regarding our export diversification about which I was unaware until I read this document, that is, 57% of our export performance is in the area of chemicals. The majority of that chemical performance falls into either organic or medical chemicals. This reverts to the point I made previously. The Minister of State correctly made the point that Ireland is so susceptible to global downturns and events because of its integration with the rest of the world. We respond to such integration by being a trading partner and by doing so well at trading. My point about this document is to ask whether our ability to do this will be improved by failing to make clear choices regarding the markets and sectors within which we will perform as opposed to choosing them all. This point was emphasised to me by a statement in the plan to the effect that we will go to market using the same principles that were outlined in a plan that was delivered in 2005. The whole world has changed in the intervening five years. Does the strategy document make the clear choices that will allow us to make use of the resources we have at our disposal and to focus on the markets or sectors that are most capable of achieving the export performance and job creation we need?

An additional area that may explain the lack of choice I see in the strategy concerns the high-level group I assume was charged with developing it. I refer to Appendix 1, page 55, which makes for interesting reading. I will not name the people involved because there is no need; I will just name the bodies represented. They include the Department of Enterprise, Trade and Innovation, which is listed twice, Forfás, An Bord Bia, Tourism Ireland, Enterprise Ireland, IDA Ireland and Culture Ireland. Also included are the Department of Agriculture, Fisheries and Food, the Department of Foreign Affairs, the Department of Tourism, Culture and Sport, the Department of Justice and Law Reform, and the Department of Education and Skills. Where is the representation for anybody working in the sector?

Senator Mary M. White: They are doing the work.

Senator Paschal Donohoe: My point is a very fair one.

Senator Mary M. White: They have no time.

Senator Paschal Donohoe: They actually do have time. If one talks to any of the businesses, they will make the point that they want to be listened to. Not a single one of the users of this strategy, upon whom its success depends, is included in the high-level group that led to its development. There are so many people who would be willing to be involved. Mr. Craig Barrett is an example and I know the Government has engaged with him. Having such a person involved in the group would be desirable. Many SMEs and companies have staff with an understanding of how we are performing in the markets.

Senator Mary M. White: They do not have time.

Senator Fidelma Healy Eames: They do and they are willing.

Senator Paschal Donohoe: If we are to use the excuse that people do not have the time to do the work, which I know to be incorrect——

Senator Mary M. White: It is not incorrect.

Senator Paschal Donohoe: There are people with the expertise to do as I propose and who would be willing to engage in and support the work. This relates to the point I made on the document previously. Where are the choices that are being made therein? Where are we outlining what we will not do just as we are saying what we will do? Is the driver of the lack of choices being made the fact that the group that developed the strategy, all of which I have read, includes the people who are charged with implementing it as opposed to those who actually use and depend on policies?

My final point before making observations on how the strategy could be improved concerns our focus, particularly on the smart economy, most of the principles of which I endorse. I encountered some very interesting comments by an economist on the degree of smartness that is already latent in our economy. He made the point that of all the multinationals in our economy, 70% are already at the high-value end of the chain. Out of all the foreign investment that we have recently attracted into our economy, 50% already has a research component. While the smart end of our economy will be successful in generating wealth, will it be successful in delivering additional jobs? I would welcome the inclusion of this point in the document. Integrated into the umbrella of the smart economy were factors such as tourism and international education etc. We need to broaden our minds as we work our way through the quagmire we are in to acknowledge that the smart economy and all its components will be very successful in generating revenue, including tax revenue, and encouraging spending at home, but that other industries, such as tourism, may well be the ones that will supply more jobs. A positive feature of this strategy is that it places industries such as the tourism industry more centrally than documents such as this have done in the past.

With regard to how I would improve the strategy, there are three areas that have not been focused on thus far. The first concerns connectivity and integration with the global economy. Many of my colleagues have made the point that access to Ireland is gradually reducing. If our job is to determine how we will integrate and trade abroad successfully, the reduction of one's ability to get into our country represents a crisis. I came across two brilliant examples of this recently. They were brilliant because they were so worrying. The first concerns the source of venture capital that will fund some of the smart economy initiatives we are talking about. We do not have a large venture capital industry in Ireland. That is to be expected given our size. A large proportion of additional venture capital will come from the United States. We envisage the Silicon Valley area as a source. I was informed recently by somebody working in this area

[Senator Paschal Donohoe.]

that one cannot get a direct flight any more from Silicon Valley to Ireland. This may sound like a small point but it is of great importance. If one is trying to make someone choose between investing in a location he can easily get to and one he cannot, it makes a great difference.

Senator Mary M. White: What does the Senator suggest the airlines do?

Senator Paschal Donohoe: The second area in which the lack of connectivity is beginning to affect us is tourism. I came across a business only this week that stated it is trying to provide tourism services in a new area in Ireland. It stated its biggest impediment is that it cannot get people into the country in the way it would want to. The ability to get people into the country is being eroded month by month under the radar. We would benefit from a far broader discussion to gain an understanding of what we could do to address this.

The second area concerns competitiveness at home. If one considers the price reductions we have seen over the past two years, one will note that Ireland still remains the second most expensive economy in the entire eurozone apart from Finland. We are 16% more expensive than Germany. Some of the competitiveness schemes in operation at this point have derived from deflation in our economy as opposed to clear choices made in response thereto. A point sometimes made in response to this concerns our high wages but this is not borne out by some of the statistics. The National Competitiveness Council, in its last report on this matter, stated that, on average, private sector wages in Ireland are broadly in line with the eurozone average. The main issue that still arises is that it is too expensive for too many people to do business in Ireland, be it the costs related to legal fees, waste or energy. Progress in these areas would do far more for job creation than any number of the documents we are discussing.

The third area concerns the role of semi-State bodies and the work they can do. Our party has published a document in this area, our NewERA plan, about which the Minister spoke in critical terms. If the Government is seeking more constructive engagement from the Opposition on the crisis our country is facing, dialogue must work two ways. If an Opposition party is to publish a plan that states how our semi-state organisations could be recapitalised to engage more directly in job creation, it must be considered. Ours has received endorsement from impartial organisations in Ireland and has formed a big part of the economic regeneration of our country in the past. I see no reason this should not be the case again.

What is the story for Ireland? I recently visited the Irish Embassy in Paris. When I walked in, the first thing I saw was a map of Ireland. The only location highlighted on it was Google's European headquarters in Dublin. During my visit to France, I had the opportunity to meet people involved in French government and economics, all of whom asked me the story in regard to Ireland. I believe I should have been given a story to tell about Ireland because I am, like the Government, trying to represent our country abroad. However, that is a point we can discuss in the future. The story I believe we should be telling in terms of the future of our country is a simple one that can be told in one sentence. If we do not have a story to sell abroad which can be told in approximately 15 seconds then it is not worth the paper it is written on. The message we should all progress, in terms of getting our country to deliver, is that people should come to Ireland because it is cheap to do business here, it is good to do business here and it is easily accessible. That is what we should be striving to achieve.

I sincerely believe that if better choices were made in what I believe is a good document and plan this would accelerate our achieving what we want.

Senator John Carty: I welcome the Minister of State and compliment him on his comprehensive and well-thought out speech. I support the Minister of State's observation that we need to

get out to everybody the message that corporation tax will remain at 12.5%. The Government makes decisions in this regard and this was clearly set out in the Lisbon treaty.

Senator Mary M. White: Hear, hear.

Senator John Carty: There have been many publications in recent times in regard to the smart economy. I would like to focus on the agriculture, food and fisheries sector, in which there is huge potential. The Minister for Agriculture, Fisheries and Food, Deputy Smith, recently launched a vision for Irish agriculture, food and fisheries, our largest indigenous industry which has huge potential for development and job creation into the future. This is an industry in which we have vast experience and on which we should be focusing in terms of getting more from it.

Europe is currently at a crossroads in terms of food security. The decision this year by Russia to suspend exports of grain as a result of natural ravage, namely, fire, resulted in a shortage of grain in Europe and a huge increase in price. This is noticeable in the stores in terms of an increase in cattle feed, which in turn will eat into farmers' profits. We have over the years developed a strong base for agricultural output. We currently export 85% of our produce and are seen to be providing high quality product, be it meat or dairy products.

Much has been done by An Bord Bia to promote a good image of our food. That we are disease free is a huge asset. An Bord Bia and other agencies have identified markets which can be further developed. These markets can be further enriched to the benefit of Irish agriculture because more consumers want what we produce, namely, a green product that is produced on family farms rather than on intensive farms such as exist in other countries. This green image must be refined and given the authority of scientific evidence. Also, this message must be sent out to our markets. With this proven knowledge, consumers will want to buy Irish giving us the opportunity to produce more, which will be good for jobs and our economy. We can increase the value of primary output in the agriculture, food and fisheries sector by €1.5 billion by 2020. This vision for a smart, green and growth economy in agriculture, food and fisheries is essential for Ireland. This strategy is to be welcomed. If handled correctly, it will have huge benefits for Ireland and will be a huge plus for the Irish farmer, economy and workforce. The economy can benefit under the three headings of smart, green and growth.

A few weeks ago a delegation from France presented a local butcher from Newport, County Mayo, Mr. Sean Kelly who runs a family business, with a bronze medal for black pudding. The delegation comprised 22 people. That that number of people came here from France for that reason was a great show for Ireland. This came about as a result of Mr. Kelly sending a sample of his produce to a competition in France, in respect of which he was awarded a bronze medal. The medal was presented to him by the delegation from France. I compliment Mayo County Council on the civic reception it held for the delegation from France which was, from a food and tourism point of view, a huge plus. I understand that Mr. Kelly intends to compete again next spring at the food fair in France and that he will be accompanied by a number of people. The French delegation has requested that a chef from a leading hotel in Westport, County Mayo, Knockranny House, attend to prepare a meal on the evening of the fair. This is very positive and illustrates firsthand what we can do. I understand people from other counties are also sending samples of cheese and various dairy products to such fairs. A former Member of the Lower House, with whom I had the honour of serving, has developed and is marketing ice-cream and is doing very well in that regard. This type of development is good for the farming community and our economy.

I had the pleasure of taking the Minister for Agriculture, Fisheries and Food, Deputy Smith, to Mr. Kelly's premises in Newport to meet with him and his family and to see firsthand

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what they are doing. They are, in conjunction with other people, marketing their product. The SuperValu supermarket is also selling Mr. Kelly's black and white pudding and sausages in its stores throughout Ireland. I compliment Mr. Kelly and the other people involved on the unbelievable amount of product they are selling each week.

The Minister of State alluded in his speech to the launching of Trading and Investing in a Smart Economy. It is envisaged in this strategy that 150,000 new jobs will be created. This is an agency estimate based on projected growth to end 2015. The IDA and Enterprise Ireland are targeting the creation of 135,000 and 75,000 jobs respectively in the period up to 2015. These are the figures used by Forfás in regard to job numbers. Tourism Ireland envisages the creation of an additional 15,000 new jobs in the tourism sector in the period up to 2015. I believe there is huge room for growth in tourism. However, we will have to become a little more competitive in terms of our prices and what we have to offer and will have to return to traditional type tourism. Also, the people selling this product will have to take time to speak to tourists, to tell them what is happening locally and to provide them with information on historic places in their counties.

The publication on the Internet this year of the 1901 census returns, which followed the publication some years ago of the 1911 census returns, is of considerable interest to the descendants of Irish people who emigrated in the early 1900s. I have sent copies of the census returns to descendants of members of my grandparents' families who were forced to emigrate at that time. They are delighted to have seen their grandparents' names in writing on the returns. We should promote this aspect of tourism, be more receptive towards tourists and give them more time, rather than whisking them in and out of the country.

The Taoiseach recently launched a strategy and action plan for Irish trade, tourism and investment to 2015. The joined up approach it proposes is long past time. The strategy will bring together a number of Departments, including Enterprise, Trade and Innovation, Tourism, Culture and Sport, Agriculture, Fisheries and Food, Education and Skills and Foreign Affairs, to focus on driving exports, attracting inward investment and maximising Ireland's return from key markets.

We must build on our strengths. I referred, for instance, to the benefits that could accrue from agriculture. Other strengths include services, tourism, education, life sciences, software and green technology. The Government's new strategy identifies potential to further grow existing key markets in the United States, Europe and the United Kingdom and gain a foothold in countries such as Brazil, Russia, India, China — where considerable work has been done — the Middle East and Japan. Delegations have been sent to these countries on trade missions and reports indicate they have recorded significant successes. I understand the Minister of State, Deputy Kelleher, has been on a number of these delegations. This is important work as Ireland relies heavily on exports. We must increase exports to help us emerge from our current problems.

Employment for young people is of the utmost importance. We must ensure that jobs will be available for our young, vibrant and educated population. It is important that they remain here and we do not allow other countries to reap the benefits of their education and experience.

Senator Feargal Quinn: I appreciate the words spoken by the Minister of State and compliment him on the talent and verve with which he expressed them. My daughter told me she was impressed by his attention to detail during his recent visit to France where he reminded his audience that Ireland has a 12.5% corporation tax rate.

We also need to remind ourselves that while there are failures in boom times, there are successes in tough times because there is a serious danger that we will talk ourselves into

believing that this is not the case. I was impressed, too, by the Minister of State's comments on utilising St. Patrick's Day. A Japanese person told me some years ago that Japan would make full use of a brand such as St. Patrick's Day if it had one. We should not be shy about using our national day to secure banner headlines for Ireland around the world. We should also remind the world of our reputation as a creative people. It had not dawned on me previously that the Riverdance show is a good example of how one can bring Ireland to the attention of those who do not know anything about this country. The other day, I spoke to someone who had just returned from China and was very impressed with the Irish stand at the World Expo.

What is the best way for governments to boost innovation? At a recent conference, the OECD urged investment in education, research and knowledge supporting infrastructure such as broadband, Internet networks and smart electricity grids. The point was made that skimping on these areas when money is tight, as is the case in Ireland at present, will cause growth to suffer in the long term. To take broadband as an example, I read about a customer's complaint about Eircom. It should be noted that the company does not even have a national broadband network and where a service is available, it costs approximately €45 per month. In the United Kingdom, on the other hand, Sky offers a combined television, telephone and broadband connection with free national and telephone calls for £16 per month. Ireland still has a long distance to travel in the area of broadband. To use the term "smart economy" without having a national broadband infrastructure in place is to engage in wishful thinking. We must concentrate on this area.

The OECD has also urged countries to adopt a number of other original ideas to expand innovation. For instance, it suggests that governments should not merely encourage the supply of innovation, for example, by funding research, but also try to stimulate demand. After all, economies benefit not from the invention of new products or services but from their diffusion, that is, from developing them. In countries that are good at commercialising good ideas, for instance, the United States and Norway, even newly founded firms coin valuable intellectual property.

If governments want growth in clean technology, they should put a price on environmental externalities such as carbon rather than coddle pet technologies. Public procurement rules that favour green products spur the market. Another suggestion is to open domestic research programmes to foreign firms as this enables countries to take advantage of bright ideas from abroad.

I heard recently of an interesting idea from Mr. John Kao, the founder of the Institute for Large Scale Innovation. Mr. Kao advocates the use of government prizes and contests to encourage breakthroughs on social ills. We are all aware of the success of the Your Country, Your Call competition, a prize to encourage new business which benefits society as a whole. Mr. Kao's proposal is a worthwhile one to consider.

While we in Ireland often refer to large companies such as Microsoft, we are not attracting or procuring innovative and new products. Let us take the example of Taiwan, the home of many of the world's largest makers of computers and associated hardware. Taiwanese companies produce more than 50% of all chips, almost 70% of computer displays and more than 90% of all portable computers in the world. The country's computer manufacturer, Acer, surpassed Dell last year to become the world's second biggest maker of personal computers.

The OECD encourages governments to rethink their policies in light of globalisation and the information economy. It notes that intangibles such as knowledge networks and open business models now make up much of the value of firms in rich countries and that many companies produce profitable innovations with little or no research in-house. For example, while most of

[Senator Feargal Quinn.]

the research behind the iPod and iPhone was done by other firms, Apple reaped the huge profits from its skill in design, systems integration and marketing. The economic benefit of innovation comes to those economies that develop the new idea, rather than those which produced it. This is an interesting point and one which people tend to overlook.

While it is extremely difficult to compete with countries such as Taiwan, we can take advantage of existing innovation. We must welcome innovation to our market. The barriers to access for customers — I refer to overly strict consumer protection laws, retailing regulations etc. — directly impact on the rewards for innovation. Protectionism at our borders, including rules designed to boost national champions, keeps out new ideas and products and the valuable fruit they can yield. We could easily fall into a trap of over-regulation, in the same way we did with the banks which took advantage of under-regulation. We cannot hinder all businesses just because the banks went wild. If we indulge in protectionism, we will keep out new ideas and companies. We need such companies to invest in technology. There is also a need for competition to flourish. The Government should be seeking to set standards and, overall, encouraging those with new ideas to come to Ireland.

We must also reconsider our approach to bankruptcy. If a person is declared bankrupt, the restrictions applied become a millstone around his or her neck for the next 12 years. I accept that discussions are taking place to change the position in this regard. In England and Wales one can be bankrupt for as little as 12 months. If Alan Sugar, Richard Branson or Donald Trump had gone bankrupt in Ireland, they would not have been in a position to create new businesses, take new risks or succeed on a larger scale. I was asked to write the foreword to a book on F. W. Woolworth which is due to be published next month. Mr. Woolworth's story is extremely interesting, particularly when one considers that he was declared bankrupt on three occasions before eventually succeeding. We must give people at least some chance of getting out of bankruptcy and, perhaps, paying their debts at a later stage. Those who are owed money will state this is not acceptable, but we must find a way around the difficulties involved. A healthy balance must be struck. It is essential that we take chances and do not regard as a failure somebody who has a go and does not succeed on the first occasion. I hate the fact that such persons are condemned forever. We should be willing to recognise that there will be entrepreneurs who will have failures and be prepared to give them another chance to succeed.

The European Union has a massive role to play in helping to establish the conditions in which businesses can expand. The Internet is the fastest growing channel for retail sales, but only one in three consumers would consider shopping on-line from one of the other 26 members states of the Union. There is huge potential in this regard. I welcome concepts such as a European "trust mark" for websites which would guarantee the reliability and quality of goods sold on-line across borders. In addition, there should be an end to discrimination against cross-border customers. On-line sales are often hindered by foreign traders refusing to accept orders from consumers living in other EU countries. This is done on the basis of a person's electronic address or place of residence. It is a form of protectionism which should be brought to an end.

Irish companies must be careful in overstretching themselves. It was interesting to hear the CEO of CRH, the second largest building materials group in the world, Mr. Liam O'Mahony, say, "More fortunes have been lost than made by getting in too early." That is an extremely interesting point. One should not always assume that one must be in the lead. Mr. O'Mahony also stated Irish companies should consider expanding into the United States, the United Kingdom and other mature markets before examining the possibilities in countries such as China. The markets in the United Kingdom and the United States are still very big and there is still large scope for companies which establish operations in these countries to expand and grow.

I am disappointed that the document we are discussing does not place enough emphasis on how we can expand the food sector, a matter to which Senator Carty referred. Our indigenous food industry is an example of the importance of research and development. There is, perhaps, a need to establish dedicated food research centres. Large food companies employ thousands of people in research and development. Senator Carty did not refer to the example of New Zealand which is tailoring its dairy market to specific tastes. One instance of this is the fact that it develops products which are specifically aimed at the Chinese market. Why are companies in Ireland not adopting this approach? Food production is a massive sector, with a potential that is often overlooked. Ireland is well recognised as a food producing island and for its food production. The United Nations Food and Agriculture Organization has stated global food production will have to increase by 70% to provide for the additional 2.3 billion people expected to be inhabiting the planet by 2050. There is no doubt but that there are opportunities for us in this regard. Instead of always placing such massive focus on more glamorous subjects such as high tech developments, etc., we should not forget our strengths in the areas of food and tourism. One must remember that it is often not the country or company which invents a product that is successful, but rather the country or company which uses that product to its full potential.

The Government must establish the conditions in which jobs can be created. It must also reconsider the position on our bankruptcy laws and introduce measures to expand broadband services. Furthermore, it must reduce costs, particularly those relating to the minimum wage and energy production, and seek to attract tourists from places such as Asia by reducing the level of red tape. It is almost impossible for a tourist from China or India to visit this country without first surmounting an almost immovable immigration barrier. We must also reduce the restrictions that apply to students who want to come here to learn English. We must examine the opportunities for companies to create jobs and not fall into the trap of over-regulating businesses.

Measures such as those to which I refer are tangible in nature and would assist in the creation of jobs. Instead of emphasising figures which do not appear to add up — I suggest this is the position with some of the figures with which we were provided — we must change the conditions for business. If we follow the latter course, we will have a great opportunity to set the conditions in which businesses can create jobs, thereby reducing the level of unemployment and setting ourselves on the road to economic recovery.

On previous occasions I have referred to a woman I met some years ago, Ms Elaine Chao, the former Secretary of State of Labour in the United State and the first Asian American to serve in that country's Cabinet, who informed me that it was not her job to create employment but rather to foster an environment, in which industry, business and entrepreneurs could do so. I also stated on previous occasions that when I had served as chairman of a hospital, I used to receive letters from the Government each month inquiring as to the number of new porters, nurses, etc., we had taken on. We were expected to employ people, even if we did not need them, to foster job creation. That was what got us into difficulties at the time.

Senator Mary M. White: That is not correct.

Senator Feargal Quinn: That is what happened at the time. We got into trouble because we had tried to create jobs that were not sustainable. The ideal course is to establish an environment, in which businesses and viable enterprises can create jobs. This means the State must create opportunities and reduce costs. During yesterday's debate on the economy I referred to energy costs. There is no doubt that we must take further action in respect of such costs. We must also take action on wage costs and the rents business, particularly small and medium enterprises, are obliged to pay.

[Senator Feargal Quinn.]

We can do what must be done. The document with which we have been presented is a step in the right direction, but it is overly optimistic. It is highly unlikely, for example, that figures, to which the Minister of State referred, will be realised. However, let us set ourselves both a challenge and a target. If we were to do so, we would have a much better chance of moving forward.

Senator Mary M. White: I welcome the Minister of State, Deputy Haughey. It is at times such as this that his father's vision would be most welcome. There are many who consider that Charles Haughey was a man of vision. It was only this morning that we were discussing the need for vision and action.

I am disappointed the Minister of State, Deputy Kelleher, is not present to hear what I have to say. I am also disappointed that he did not provide a copy of his speech which was extremely long. Being in a position to refer to the text of a speech is often of assistance.

My comments on the document, *Trading and Investing in a Smart Economy*, will be brief. The food industry is our largest indigenous industry and 150,000 people are employed within it. The Government has issued another document, *Food Harvest 2020: A Vision for Irish Agri-food and Fisheries*, the concept behind which is that by acting smart and thinking green we will produce growth. I believe in action. With this report we must see energy and drive, and companies must seize the opportunity, whether they are multinationals or indigenous food and drink companies. I do not agree with Senator Quinn in his attitude on employment creation. Multinationals are coming here because of the 12.5% rate of corporation tax.

The Minister of State is correct in his statements about the tax that the other 26 countries in the EU would love to see us without that rate. Fortunately, the Taoiseach, Deputy Brian Cowen, delivered in the protocols to the Lisbon treaty that there must be a unanimous decision by the 27 countries in the EU for the 12.5% corporation tax to change. We have no intention of making that change. There has been much scaremongering in the newspapers and international newspapers, with people looking too much into what the European Commissioner had to say. We will stick with the rate as long as we want it and need it. It is critical to our economy.

I will give an example relevant to the smart economy. A few days ago I was in Glendalough and met Councillor Pat Casey who owns the beautiful hotel there. He brought to my attention the conflicts between the national parks and wildlife service, Wicklow County Council, Coillte and the Office of Public Works. I told Mr. Casey that when Mr. Haughey was in charge of the country, he banged the heads of all departments in the country to get financial services off the ground, and that must happen again with these organisations. They have different agendas and are competing with each other.

The Glendalough and Laragh area is one of the most exciting tourist interests in the country and the different organisations must work together to enhance and market the area for the good of local people and the beautiful, historical environment. Senator Hanafin is present and the Minister for Tourism, Culture and Sport, Deputy Mary Hanafin, should bang the heads of all the operators in the area. They are operating almost as sole traders but they must work to develop the area in a serious manner.

I must be critical of the trade council, as even the phrase is old-fashioned, dated and boring. I am sorry for being so impatient but the jargon is from the 1970s and 1980s. We must seize this opportunity by working together, becoming energised and excited about our country to get it going again. I am afraid my patience has been running out.

Senator Brendan Ryan: I welcome the Minister of State. I state clearly that if these initiatives represent a genuine focusing of Government attention on the significant economic and social

problem that unemployment represents, they must be welcomed, and I do so on behalf of the Labour Party. Having virtually ignored the unemployment crisis and allowed the numbers on the live register to climb to almost 460,000, we now have two so-called major initiatives on employment within a week of one another from this Government.

I will give a parochial example of the importance of this issue. In Balbriggan, in my own constituency, the live register numbers have climbed from 1,377 since the general election in May 2007 to 5,233 by the end of August this year. This represents an increase of 3,856 people or 280% since the general election, which is a startling figure. It illustrates why it is so important for this strategy to be successful. Were it not for renewed emigration, the live register figures would be significantly higher. The priority for the Government must be jobs as the more people we get into work, the more people we get back to work and the more quickly our economy will be revived. That is self-evident.

We have had the Government jobs “summit” with the heads of State agencies and, more recently, we have had the launch of Trading and Investing in a Smart Economy, which we are discussing today. Many of the unemployed will suspect — with some justification — that these initiatives are more about an attempt to rehabilitate the reputation of this Government than getting people back to work. Perhaps that is a cynical view and I hope it turns out differently. Those who are unemployed know impressive sounding plans and initiatives have been launched by this Government that have come to nothing. We need to see some results flowing from these new plans.

This document is fairly typical of previous publications from the Government; it is high on ambitious targets and very short on specifics as to how these might be achieved. Senator Quinn has touched on this aspect. As with a number of previous initiatives, this document focuses on the smart economy. We must exploit the potential that exists in the smart economy and should maintain investment in science, technology and innovation. We must have realistic strategies for the bread and butter sectors of tourism, agribusiness and smaller businesses that can and will provide employment across the regions. We must deliver real jobs but not just jobs for people wearing lab coats. We must offer meaningful retraining and work experience programmes, which is something Labour has advocated for more than two years. The more people we get into work, the more people we get back to work and the more quickly our economy will be revived. People will spend and invest, State revenues will grow and our collective ability to meet the demands placed on us will be enhanced.

To achieve this, we will need a jobs strategy that has a number of components to it. We cannot hide behind the catch-all buzzword that the so-called smart economy has become. We must develop a knowledge economy but the term “smart economy” is being used to cover a multitude of aspects. Labour has been strongly supportive of public investment in science and technology, and we will continue that way. Research and development plays a critical role in a modern developed economy. That said, we cannot pretend that high-end scientific research is somehow going to provide employment for hundreds of thousands of people or that unemployed bricklayers are suddenly going to find jobs in laboratories.

We must maintain investment in science, technology and innovation but we need to see a better return on that investment in terms of jobs created. I want to see, for example, greater emphasis on applied research and on capturing the full benefit of our investment in new knowledge. We must have realistic strategies for the bread and butter sectors, like tourism, which can and will provide employment across the regions.

Building a knowledge-led sustainable economy will require investment. I came this morning from the joint committee dealing with education and science, which had Mr. Seán Cottrell from the Irish Primary Principals Network before it. In regard to information and communications

[Senator Brendan Ryan.]

technology, he stated that the overriding legacy of the integration of ICT into primary education has been the creation of a significant digital divide. He argues that other than schools where parents can afford to fund ICT and in a smaller number of cases where principals have secured the support of Irish-based multinationals, the majority of primary classrooms are not benefiting from technology. He goes on to say that successive Ministers have made repeated investment announcements and established multiple committees to advise but there is an urgent need to define the hardware and support systems that are needed.

That is in reference to the primary sector and one may argue that the issue is one for the long term. It must be addressed, however, if we are to meet our potential. Ms Sheila Noonan from the INTO stated that it deplored the lack of investment in schools' ICT at primary level, especially the lack of a nationwide supply of adequate, reliable broadband connectivity, inadequate investment in hardware and digital content to support the curriculum, and the lack of technical support for schools. This reflects a view in the education sector that we will not achieve our objectives in the long term. While these issues concern primary level education, they also affect secondary level.

We can work with our European partners to invest in the infrastructure of the future. I was pleased to hear yesterday's announcement by the Commissioner for Research, Innovation and Science, Mrs. Máire Geoghegan-Quinn, on funding for research and development. I hope, given the Irish connection, Ireland will receive a reasonable share of this funding. Renewable energy systems are an obvious example of investment in infrastructure of the future. Ireland, however, will have to match and improve on the technological breakthroughs made in recent years from Denmark to Portugal in harnessing the potential of our natural wind and water resources, building a national smart grid, creating jobs, while cutting emissions and imports of fossil fuels.

It is essential to ensure the new clean technology sectors have the skilled workforces they need. It was reported recently that, according to a leading recruitment company, up to 60% of clean tech industry jobholders had to be sourced from overseas owing to a skills shortage here. The shortage of electrical engineers and wind energy analysts, in particular, is a concern. Worrying trends are also emerging from science and maths participation figures and achievement in education. Participation rates are low for physics and chemistry in the leaving certificate which, in turn, leads to a shortage of engineers and scientists. Ireland is unique among 21 countries in the European Union in not having science as a compulsory subject at junior certificate and lower secondary level. Students are poorly informed when it comes to career opportunities arising from studying in this area. Concerns have been raised about the number of employment opportunities in these areas and job security. We must provide training places to re-skill those who are unemployed and use the opportunity to develop skills essential to green industries. There is a particular role for the retraining of unemployed construction workers and tradesmen in green construction skills. We need to provide development opportunities to allow those with technical qualifications, in particular those in the engineering and electrical trades, to obtain level 8 and higher qualifications. Apprenticeships and science and engineering graduate training programmes must be increased, including sandwich courses for students who may wish to join the industry. There should be at least one mandatory science subject at junior certificate level.

The document, *Trading and Investing in a Smart Economy*, as I said, is high on targets but not on specifics. Terms such as "the government will continue to do this and continue to do that" are to be found throughout. For example, chapter 6.5, *Delivering the Necessary Skills*, states:

The education system will continue to be responsive to knowledge and skills needs in the internationally-oriented economy. The Government will continue to prioritise the development of enhanced maths, science and technology skills through an agenda of curriculum reform and by improving innovation capacity in second level schools.

It needs to be more specific in how this will be achieved.

Chapter 6.6, Expand our International Linkages, claims, “The Government will continue to support the development of an innovation-friendly, pro-competition regulatory framework for aviation”, while keeping the €10 airport tax in place. Chapter 6.8 deals with modifying the visa regime to align with the strategy which, again, is a no-brainer. For the past four months I have been dealing with a constituent’s case where his girlfriend from China cannot visit him in Ireland. Ireland does not let visitors or tourists in. Modifying the system cannot be allowed to take another year. It is imperative the process is speeded up. I accept the Minister for Tourism, Culture and Sport, Deputy Hanafin, stated last year she favoured changing the policy to allow visitors from China and certain other countries. This is a welcome development.

Chapter 6.11 states the proposed foreign trade council will meet at least twice annually and that all of its members will be selected from senior levels in their respective agencies and sectors. It is imperative the council meets every two months instead in order that it will work properly and successfully. The chapter also states the Minister of State with responsibility for trade and commerce will report to the Government every 12 months, setting out the council’s conclusions and recommendations. Again, there is no sense of urgency. The strategy claims regular feedback from the Irish business community operating in the field will be critical to its success. Is there a project management approach to this, with a focus on deliverables and timelines?

The Minister of State, Deputy Kelleher, has claimed international confidence in the economy is important and referred to negativity coming from the country from the Opposition parties. The Labour Party agrees with the broad parameters for economic recovery. If the Minister of State believes the Labour Party must agree with political choices concerning available resources during the budgetary process, he is clearly talking nonsense. In the good times, if the Labour Party did not agree with certain political choices, it voted against certain aspects of the Finance Bill. It will continue to make different political choices from those that may be made by the Government and not apologise for making them. Neither can this be considered as negative about the economy.

Senator Mark Dearey: Trading and Investing in the Smart Economy is a welcome document which ties in with other job creation and sectoral development strategies such as the report of the high level group on green enterprise. Senator Donohoe challenged how well the integration of the various strategies was proceeding. A more integrated approach is being taken in this regard. The first thing that the trading and investing in the smart economy strategy identifies is that it is through trade and enterprise that jobs are created. Jobs are not being put before enterprise and trade, rather, they are seen as a consequence of improving our enterprise and trade. It is a very simple point. It is a horse and cart argument but unfortunately we hear far too often that the cart is being put ahead of the horse by many who are proposing stimulus packages to generate jobs without identifying what the markets are for the activity that those jobs would be engaged in.

A number of stimulus ideas I have heard all involve large amounts of borrowing. It is beholden on the people and parties proposing these ideas to say from whom they will be borrowing and at what cost, and what impression additional borrowing would create among

[Senator Mark Dearey.]

those who are currently lending to Ireland whom we are, unfortunately, over dependent on for historic reasons. We need to acknowledge that is the case.

Any increase in the public deficit, which is effectively what these plans would involve, will be seen as a lack of political will and economic wit and would result in potentially disastrous scenarios for Ireland as a whole. The document is correct to focus on trade and enterprise which will deliver jobs if we target properly and identify our markets and what it is we are good at doing. There is some merit in Senator Donohoe's contribution, namely, the charge that the document spreads its ambitions too wide. It is something to which I am listening, but if one takes the individual strategic documents one will find they seek to incorporate and integrate those ambitions and the charge the Senator made can be answered to some extent.

To identify exports is a fairly obvious position to take but given how small the domestic market is we do not have any alternative but to trade our way out of where we now find ourselves and do that on the basis of finding markets abroad. Some 80% of all economic activity is export-driven. We need to maintain that and improve on it. I welcome the fact the new strategy very clearly gives benchmarks against which its success can be measured. The headline figure of 150,000 new jobs is impressive. The calculation is that for every one job in the export sector that is created, one spin-off job is also created in the local economy. Therefore, we will have a grand total of 300,000 jobs by 2015, a figure which grabbed the headlines last week and created some scepticism.

When one drills down into those figures, one finds they make sense. That is what I would like to do in regard to the green economy in particular. The IDA has taken responsibility for the generation of 75,000 jobs by 2015 and Enterprise Ireland for 60,000 jobs by the same date. In tourism another 15,000 jobs will be created. Not all of the jobs are in the smart economy sector *per se* but all of them can have value added to them by the smart economy. I refer in particular to areas such as forestry. According to the Teagasc figures I examined recently, every 6 ha planted creates a job, be it in nursery work, forest management or the upstream job creation that saw mills, wood production, product production and so on generate.

There are jobs for people in more traditional sectors that we can and are turning our attention to, but the focus must always be on adding value and that can be done by locking onto the smart economy applications. Another good example is getting the smart grid up and running. There are enormous opportunities for the SME sector, in particular, to make products to make the grid smart and to move it on from simply being a transmission network into an intelligent distribution service that provides real-time advice to customers and back hauls information to the generating station in order that it can make smarter and more intelligent choices. This will ultimately lead to a reduction in the amount of energy we need to use.

This is one of the things that gives me great hope about this document and the general thrust of Irish industrial policy. "Industrial policy" almost sounds like a phrase from the 1970s. People often accuse the Green Party of speaking a kind of policy language that nobody understands when it uses words like "sustainability" and I confess that we sometimes do that. Everybody now knows what unsustainability is because we have been through it. We unfortunately lost sight of where our economy was sustainable and strong, and diverted far too much attention into the construction and development sectors which accounted for 24% of all economic activity in 2007, over twice what most mature economies invest in those sectors.

That was always a dangerous path to follow, but particularly so when the tax base came to rely on that activity. I am being critical of previous policy but it is fair to say that because we have come to a complete halt as a result of some of that activity. Whatever about the past, we now need to design unsustainable practices out of the future economy and create a tax base,

which is a parallel process and not related directly to what we are discussing, that can meet the day-to-day needs of the country. I would like to think such a tax base would be driven by taxes that will not disappear as the whims of the market come and go but that can be real and sustained over time.

This document gives me great hope because we are going through a groaning and a long and painful economic turnaround. We are not just trying to get economic activity going again, rather we are trying to create a new economy and I would like to characterise at least some of that economy as being a green economy. It was good to hear the previous speaker discuss how the green economy can ultimately deliver. It is not a propriety phrase to use; I am not trying to suggest that my party has ownership of that idea. In fact, it would be disastrous if the idea became overly politicised. It is important that everybody embraces it because we urgently need to create an economy that decouples growth from resource use.

If we continue to pursue the model which, *in extremis*, we saw in the late 19th century where heavy industry in Britain such as the linen mills developed, and later on the massive use of oil in heavy industry in the United States in areas which eventually became the rust buckets, we can see how if we pursue economic growth that is based simply on the ever increasing use of scarce and finite resources, we will also come to a crash just as our construction boom came to a crash. A decoupling of economic growth from resource use is required. This document comes up trumps in that regard; whether it is intentional it happened. The Minister of State is nodding that it is intentional and I am glad to hear that. I thank him for that confirmation.

These are some of the realisations that this document can deliver, namely, a productive, export-led economy that is light on resource use and that is replacing imported energy with home produced energy. I understand oil prices alone cost €6 billion per year. We could save €1 billion of that by 2015. Think of the pain we are going through at present to cut our deficit by several billion euro a year. If we could write off on an annual basis €1 billion of oil imports by 2015, we would be doing very well. Projects such as the Oriel wind project in my area, which I would love to see up and running and which produces 315 MW, account for that oil importation substitution as well as creating a fantastic array of jobs in high value areas such as mechanical engineering, wind surveying and the host of skill sets that are required to bring wind to the grid. We have fantastic opportunities that will meet the demands of the future. The document, *Trading and Investing in the Smart Economy*, responds to and brings together the range of Forfás and high level group reports we have and that are causing some confusion. With a bit of work and patience we can begin to see how they all slot together and get this country churning and doing the heavy lifting again.

Senator Fidelma Healy Eames: It has been nice listening to people and I am delighted the Minister of State, Deputy Kelleher, has returned to the House. I am encouraged by the level of belief he has in the smart economy and where he sees it in the country's future and for his children. I come from a similar place and I want to touch on a few items. I want to touch on creativity as being the biggest loser and the biggest resource on which we have not capitalised in this country, especially as the key bridge between education and enterprise. I want to look at creativity and whether the second and third education system is fostering an enterprise culture and creativity and how that links into the smart economy. I also want to look at particular key infrastructure.

If we look at the current context, we do not have a good story to tell. Internationally, we are perceived as a basket case and the markets treat us like mugs. This is for three main reasons. Our basic figures are bad because we have a terrible budget deficit and a terrible bank story. Our management of our economy is perceived as disastrous in terms of corporate governance, and the Minister of State has seen what we have seen in FÁS, the HSE and throughout the

[Senator Fidelma Healy Eames.]

Civil Service with regard to a breakdown in regulation. Above all, the reason the markets have decided we are a basket case is because we have no growth story.

I will look at the long term first and then move to the short term. I recognise the intention of the smart economy document being discussed. I also recognise the fact that 200,000 jobs have been lost in the private sector since the onset of recession. That is criminal. As well as all the personal lives that have been hurt by this, it is affecting our economy because that is what gives growth. Senator Deary spoke about the export market being obvious and that is where the job stimulus should be. If we want a key job stimulus it should be with a view to export because that is the shot in the arm straight into the vein in terms of improving our GDP. Before I leave the 200,000 lost jobs I will refer to a point made by my colleague, Senator Donohoe, that small and medium enterprises have felt left out and have not had an adequate voice in partnership. I would not argue the same case for IBEC as it has been included. Small and medium enterprises make the case to me on an ongoing basis that if they had been adequately included in partnership we would not have had the disaster of benchmarking and all the extra money without adequate performance measurement and outcomes being improved.

Let me go back to what I think can be a great news story for Ireland, which is the area of creativity. It is said that imagination is more important than information and skills, and creativity is based on imagination. Our children in primary schools are full of imagination, and to be fair, primary school develops that. The second level system beats it out of them, and for one reason — it is an exam-driven system. This system does not capitalise adequately on children's innate potential to create. If we had more ways, in our second level system in particular, whereby children could create, I believe it would put them in a better state of readiness and give them more confidence to be the entrepreneurs of the future. The third level system gives them opportunities but many do not get there or they make wrong choices before they get there because we are turning what we want in terms of a creative and knowledge economy into an information output exam system at second level. Creativity is the loser and it has never been more needed than now.

A very simple move or change can make a difference in terms of how we assess our children. My eldest child did his junior certificate this summer and one of the subjects he took was woodwork. As we know, in woodwork one makes things. There is also much theory to it but by its very nature it is creative. The project he chose was to build a piece of furniture to hold his guitar. It was not only the piece which impressed me, and I have only seen it since he brought it home in the past month, it was also the portfolio he had to include with it on how he came up with his idea, his little business plan and his drafting and redrafting. It was phenomenal because he learned theory on which he was then examined in the written component of the exam but he also created something and he will never forget that. I will put on the record of the House that he got a B in woodwork. It was clear to me he got an A in his practical project and probably a C in the written exam. One size does not fit all. Relying on written exams loses too many of our children. The biggest thing the project did was to engage his parents, in particular his father. I am not a bit woodwork oriented but they had a reason to talk and work out what they were doing. Even how he arrived at the logo on the piece of furniture he created was fascinating.

This is very simple. Enterprise, which is the remit of the Minister of State, needs to link up more with education, especially with regard to assessment. There is no reason that every subject should not have a practical component, be it the production of a tape, a visual, or a book as well as the written terminal exam. The last of these is killing the spirit and imagination of too many children.

We know third level education is critical to the knowledge and creative economy to grow our story. We have a crisis in the funding of higher level education. The Joint Committee on Education and Skills has heard endless presentations from the heads of institutes of technology and universities. I accept that they have had waste and in some cases one might say there has been an abuse of funds, but they have proven to us repeatedly that the current level of funding is not sustainable. We have a target in this country to try to increase the number of children at third level to 72%. I think we are hovering at 60% at present. There are fascinating courses available at third level with great opportunities. We in Galway, for example, have a great specialism in the medical device sector, which is the shot in the arm in terms of exports and GDP, and the university and the institute of technology support that with graduates. This is joined-up thinking of the best form.

We need to look at how third level education will be funded. This Government has not faced up to that because of the Greens. Fianna Fáil has let the Greens have their way there and has not tackled it. The Government knows where we in Fine Gael are coming from. We believe there must be some type of graduate contribution. Because we are being truthful, we know the economy cannot sustain the amount of money needed for higher education. We are taking in approximately €34 billion in taxes, €2 billion of which goes to higher education — one seven-teenth. We know the state of the public finances and we have not a hope of continuing to pay that. We propose that when graduates get a job they would begin to pay back the loan given to them to fund their third level education. I was really surprised when I surveyed students on this in Galway. They thought it was fair because they did not want their parents to pay yet again simply because of the current environment.

Senator Donohoe also referred to key infrastructure areas that we need to develop, especially around connectivity. Galway airport, as the Minister of State will probably be aware, is under severe threat. It gets €2.3 million a year from the Government for operation costs and for the PSO. Right now, that is under threat of being pulled. The most important point is that 82% of businesses, indigenous, SMEs and multinationals, have stated Galway is “essential” to the international markets and those are our export businesses. In wages alone, the 175 airport-based jobs give back €2.1 million to the Exchequer and at that level, it is paying back the Government. There are thousands of jobs for which the airport is essential based on the views of businesses. We need to be smart in the short term and not cut off our nose to spite our face.

Executives also pointed out when interviewed that the time of executives, many of whom are cardiologists going abroad selling products, is critical in terms of getting connectivity to Europe. In executive time alone, €4.5 million per year is saved by having the airport in Galway. I am making a strong case to be careful about what the Government cuts because a bad move will cut off thousands of jobs.

Senator Fiona O'Malley: I will not take all of my time. I want to make a brief contribution and to thank the Minister of State for his speech. His enthusiasm comes very much to the fore. It is great to have that enthusiasm. I was particularly struck by how he implored everybody who has a responsibility here, all members of all political parties, to tog out for the team. I was disappointed to hear the previous contributor speak about Ireland's economy as a basket case. What kind of good will that bring us anywhere?

Senator Fidelma Healy Eames: That is what the bond markets have said though.

An Cathaoirleach: No interruptions now.

Senator Fiona O'Malley: Forget that, they are not togging out for the team. Senator Healy Eames has a responsibility to do good for her country and describing it as a basket case econ-

[Senator Fiona O'Malley.]

omy will not engender much confidence. The Minister of State made a good job of trying to get people to realise the effect of what they say. It is quite deplorable that somebody who is on our team would describe our economy so.

Senator Healy Eames has quoted bond markets. The report of an agency yesterday stated we need political stability and Ireland will be downgraded further if there is not more political stability. Whichever crowd it was, Standard and——

Senator Paschal Donohoe: Fitch.

Senator Fiona O'Malley: I thank Senator Donohoe. Whoever it was, the point is we know the message and it came loud and clear. We all need to work together. We have a responsibility in times such as these and we need to pull together to bring a turnaround in our economy. We do not need petty political points, such as calling our economy a basket case. I hope the Senator will desist from doing that in the future.

The Minister of State made a good request, not only on behalf of the Government. He made a lovely reference to the fact this is not a job for him; it is the future of his children. That is the way we all should look at it. Senator Healy Eames has children. She is looking for a bright future for them too. Calling the economy of her country a basket case will not provide a good future for them. I will get off the point because maybe she is sorry now she did and maybe she will prove that by not doing it again, and I hope others do not either.

I welcome this strategy. Being such a small country, we have done terribly well. Organisations like IDA Ireland and Enterprise Ireland over the years and with successive Ministers have done very well for the country. When one has a good clear strategy and targets — an element I like about this strategy is there are clear targets set — one does well. It is not so much that we know what we are doing but we are very clear about where we want to be in a while.

I was interested in what the Minister of State said about the Asian strategy, which is now coming to its natural end. The target was €8 billion and we exceeded that by €2 billion. That is terrific. Would we not be delighted if we were doing the like of that again in other sectors? It just shows that a target-based approach can hone the minds, get things done and harness all the energy and creativity within the country.

We will exceed the target. I wish this Government and the next Government well — I do not care who will be in it or who will be out of it. An issue like this is good for our country and we need to work together out in the world selling Ireland enthusiastically.

I am glad Senator Donohoe has returned because I want to compliment him on his speech. I loved his positivity. I loved that where he saw some matters that were overlooked, he did not even call them shortcomings. I hope the Minister of State, who appeared to be interested in what he was saying, will take them on board because he made very valid points.

I liked the remark he made about how one needs to get our message over quickly and easily in three sentences — cheap to do business in, easy to get to etc. The bottom line is that it all distils into “Ireland is good for business”. Everybody here, not only Government, although it is the Minister of State's direct responsibility, and every facet of Government needs to ensure that Ireland is good for business. It is as simple as that, and where there are problems, they need to be ironed out. That is why I believe in this strategy where sectors are coming together and working together.

I am particularly interested in the visa alignment issue. That is something we need to push. There is no way, particularly at this time in what we are facing, we need any kind of a barrier to getting business done in Ireland. Yesterday a Senator spoke of the red tape that can be

associated with small and medium sized enterprises. We really need to look at that. We must make doing business easy because it is good for us.

I believe in this strategy and I wish the Minister of State well in getting it done, but I also am glad to see tourism in it. There is much more we could do around tourism and I am glad to see a greater focus on it in terms of an industry. I was recently in Tajikistan with Voluntary Services Overseas where we were tasked with trying to establish a tourism industry for that country. It is a beautiful country. It was like Connemara mixed with the Alps. It really was stunning. However, the people there have no experience in terms of the private sector in particular and how to set about developing a tourism industry. The people there do not like to be criticised. They have an ancient tradition. I drew on the example of the history of this country and told the people there that when we were poorer we were dependent on agriculture but we have now moved on and developed our tourism industry, as has Greece. Tourism has become one of our major industries and has transformed people's lives. Tourism has the capacity to do that. It is an industry that can easily reach into every community, particularly rural communities. I refer to Connemara in this context, with which I am more familiar, where land is poor and it is hard to make a living from farming. People there need the diversification of the tourism industry.

I am glad the tourism industry is included in this strategy and its development is taken seriously as a dynamic force that has the capacity to transform Irish society.

I very much welcome the strategy. The section about investing in the economy is also important. The Minister of State and the speakers from all parties spoke about the importance of our corporation tax rate. We all need to sing clearly from the hymn sheet in that respect and to make people realise it is not in jeopardy. I concur with that view. Our corporate tax rate has allowed the country to be transformed and it should remain in place.

Minister of State at the Department of Enterprise, Trade and Innovation (Deputy Billy Kelleher): Before I respond, I wish to apologise, as my mobile phone rang during my opening remarks. There is a faulty button on it; I will have to apply to see if I am entitled to an upgrade.

I welcome the Senators' views on the Trading and Investing in a Smart Economy strategy. The debate was rightly broadened by the speakers to encompass the challenges we, as a people and an economy, face. This strategy is an attempt by Government to bring together all the resources currently available which may perhaps be used in siloed-type activity. It seeks to ensure there is a gelling of the various agencies and use of those resources wherever that is deemed fit and appropriate in the context of finding markets that are suitable for Irish goods and services.

Senator Donohoe made some valid points. He said this document covers everybody and in a sense covers nobody. If one reads through the document, one will note the reference to sectoral areas. For example, there is not much point in our trying to promote exports of food to New Zealand. We must target areas where there is a potential to grow Irish exports. This is not a document that advocates we trade all over the world and that everything will be rosy in Ireland. The strategy is about examining key areas, carrying out an in-depth market analysis and identifying the potential for various sectors and services of the economy. That is the key component in this area. If Senator Donohoe reads the strategy——

Senator Paschal Donohoe: I have.

Deputy Billy Kelleher: I know he has and is familiar with it from the content of his contribution. He will note that a key component of it is the sectoral area involvement, market analysis

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and identifying what sectors of our economy would be appropriate in the context of exporting to those markets.

With regard to emerging markets, some economies have emerged as forceful markets in recent times, which had not been anticipated up to a number of years ago. For example, Brazil had political instability and massive inflationary problems up to the time of the recent President Lula da Silva, who has now retired. There was great potential for that economy to develop but that potential was untapped in its domestic market and, more importantly, it was not perceived by the world to be a growing and emerging market until recently. That example highlights that we have to analyse at an early stage areas of potential growth and opportunity for our economy and to intervene at an early stage. As sure as night follows day, as soon as I leave a country having promoted Ireland, a minister and trade delegation from another country will arrive to put forward a similar case for their country's goods, services and companies. The international market is very competitive. We must establish credibility and presence and encourage and assist companies to examine those markets. Equally, the reverse is the case. If an economy is growing rapidly, there is a tendency for its indigenous companies to internationalise. Therefore, there is a two-way flow. It is necessary to focus on exports to markets and examine the potential for the internationalisation of some of the companies in those markets to invest in Ireland.

We have some critically important clusters in this country. Senator Healy Eames referred to the medical devices industry in Galway and there is the pharmaceutical industry in Cork. There is a spin-off from the clustering of companies in an industry. Those in the industry work in association with academia in the area, with researchers, and develop a cluster of research, development, innovation and then there is the commercialisation process. That link is working very successfully in the context of the medical devices industry in Galway and equally in Cork with the institute of technology, UCC, pharmaceutical sector and life sciences. We are trying to ensure the clustering of companies in an industry creates a critical mass, sustainability and drives the industry. The medical devices industry in Galway is one of the biggest medical device clusters in the world, although that is not probably well recognised, and it has international recognition at this stage.

The other cluster that is often taken for granted is found as one walks over O'Connell Bridge and turns right, namely, financial services. It is another important sector internationally where there is major potential for growth with the redistribution of wealth around the world from the west and what was termed the first world countries to the emerging and growth markets. Those working in the financial services sector are examining areas to which to move capital and in which to invest. We have a golden opportunity at this stage to point out that the Irish Financial Services Centre is well recognised internationally but we must promote it in a very positive way.

With regard to the perception of this economy, most of the Senators who contributed raised this point and I referred to it in my opening comments. By and large most people when they speak about our economy are doing so with the best of intentions and the right intentions. It is often the language that is used or the sentiment that is expressed that contributes to how we are perceived. We have to change and to be conscious of this at parliamentary and Government level and such change will filter into the broader community. There are many positive developments. Admittedly, we have rising unemployment, now at the rate of 13.6%. Addressing it is a major challenge. Such high unemployment is a drain on the economy because the resources of our people are not being fully harnessed and utilised.

Senator Dearey referred to moving from growth-led economies and not using the resources we have. He is right about that. We have to wean ourselves off fossil fuels etc. However, the one key ingredient we have, essentially it is the only one, is our people. They are our greatest resource. We do not have any natural raw materials other than perhaps some agricultural food

products. Everything else has to be created and manufactured and most of it has to be exported. The creativity and investment highlighted by some Senators is hugely significant.

I recently visited a school with Enterprise Ireland where an enterprise competition was being run to foster and inculcate in people the idea that one does not have to go to school, college and then find a job. The point was made that as college graduate one can immediately start up a business. That was successfully shown for example in the Rubicon Centre in Cork Institute of Technology. They have a cluster of expertise and people who have a business idea on leaving college and can see it go.

Another important issue is that we must dispel the myth that a failure is failure. The fear of failure holds back a large cohort of people from pursuing projects — failure of being an embarrassment to oneself, one's family, one's neighbours, one's friends in the parish and everybody else belonging to one. However, if one goes to the United States, one finds that wherever there is a creative, innovative entrepreneurial instinct, the fear of failure does not even come into reckoning when people are making decisions. They have a vision, a belief, a dream and they follow it through. If it does not work and is not successful, they see that as a learning curve, as a badge of honour that they tried hard and it did not work. They pick themselves up by the boot straps and they try again. Unfortunately, there is still a latency in our psyche that failure must be avoided at all costs. Even in the context of our legislation with regard to the bankruptcy laws, which Senator Quinn raised, that is an issue that will have to be addressed. The minute one mentions revisiting our bankruptcy laws, one has to make sure the system places a burden on the person and does not remove his or her obligation to try to repay, but equally one is not punitive to the point where it damages risk taking and wealth creation or discourages individuals from establishing companies and businesses with the right intentions. We have to introduce some ideas and legislation to amend our punitive bankruptcy legislation.

We need to acknowledge that creativity, risk and innovation are accompanied by the potential for failure. I do not suggest a person whose business is unsuccessful has failed in every way; we should see it as a positive learning experience and encourage those involved to try again. Most of the hugely successful entrepreneurs throughout the world have tried on several occasions to establish companies, promote ideas and develop visions. In many cases, their first effort or two ended without success, or “failed” as we like to say in Ireland. We must change that mindset. I have spoken at conferences of small and medium-sized enterprises. Such events may have been organised to encourage high potential start-up companies, for example. When one scratches the surface on such occasions, one gets a sense that the reluctance to start new companies is associated with the use of the word “failure”.

The document we have been discussing is ambitious in its approach and well thought out. The relevant State agencies have bought into it, rightly so, because they are obliged to serve the public in line with their mandate, to help Irish companies to increase their market share abroad and encourage foreign companies to invest in Ireland.

I spoke about the St. Patrick's Day celebrations which are hugely significant. One might have thought I was touting for another trip abroad. Regardless of the composition of future Governments, it is critically important that delegations continue to travel abroad. In my short time as a Minister of State I have found that overseas trips to promote Ireland Inc, Irish brands and Irish teams, particularly those that coincide with St. Patrick's Day celebrations, are viewed in a positive light. No other country enjoys the same level of exposure, as a brand, as Ireland does for a full week in the middle of March. We sometimes hear criticism of the presentation of a bowl of shamrock to the President of the United States, but I suggest it is a hugely significant event each year. How much would the CEO of a large company, or the marketing team of Coca-Cola, pay to have such guaranteed exposure once a year? We should also bear

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in mind the publicity received by Ireland, as a brand, when Fifth Avenue and streets in cities such as Moscow and Tokyo are closed each year for St. Patrick's Day parades. One simply could not buy such exposure. It must be used and seen in a positive light. I have found that if such events are portrayed negatively by commentators at home, their credibility is undermined abroad. It is seen as an insult to the country being visited. It is important to consider this. If one does not enjoy support and confidence at home when one goes on these trips, one's hosts will read in the press what is being said about the various trips and one's credibility will be undermined. It is a small but an important point. We should not kill the positive international sentiment and hope, not only among the Irish Diaspora but also among those who like, respect, admire and support the Irish people. When we travel abroad on these trips, we are attracting tourists to Ireland also. I could speak at greater length on this issue which was mentioned by Senators Quinn and Carty.

Ireland is a food island. If the world's population increase is to be sustained, global food production output will have to increase by approximately 50% by 2030. That presents a huge challenge for the world because of the diminishing amount of land available for agriculture. As a First World country, Ireland has an obligation to promote a system of food production that sustains the existing population of the world, meets the dietary requirements of the international community, addresses imbalances within the food production sector and alleviates hunger in certain parts of the world. We also have an opportunity to capitalise on what will be required in years to come. As markets grow and become more affluent and dietary demands become more sophisticated, people will demand higher quality dairy products and increased amounts of beef, for example. Irish beef is probably the most marketable product we have. In fact, it is Ireland's most widely presented product in the world. It is on more supermarket shelves than beef from any other country. We must build on the existing recognition of the product.

The difficulty we have is that further efficiencies need to be achieved in the dairy processing industry. This is critically important. We need to continue to aim for higher added value. We should never be ashamed of the fact that Irish food is well recognised internationally. There is huge potential in this regard. When we look down the road with regard to the views of the European Union on the development of agriculture — I refer to the lifting of quotas, for example — there will be further potential to achieve an increase in capacity in the beef and dairy sectors. While we face huge challenges in agriculture as a result of the difficult market conditions, when the peaks and troughs of the cycle iron themselves out in the longer term, there will be huge potential for growth. The agriculture industry needs to import very little. In other words, it is a big net exporter. We were given a tour of County Mayo by Senator Carty. I would like to visit that part of the country at some time.

Senator John Carty: The Minister of State would be more than welcome.

Deputy Billy Kelleher: Perhaps a nice meal would be put in front of me. It is obvious that this country's growth projections have been reviewed. There was a positive growth outlook in the first quarter of 2010 which was not the case in the second quarter. We must try to analyse the figures with a view to achieving growth in the longer term. We should highlight the fact that there was massive contraction of approximately 9% in 2009.

Senator Dearey and others spoke about Ireland's over-reliance on the construction industry. They were right to suggest that in any modern economy approximately 7% or 8% of GDP should be generated through construction and home improvements, etc.

The issue of green energy receives a great deal of attention in the document. The composition of the current Government is not the reason for this. We see huge potential in the green energy

sector. Ireland is recognised internationally as being at the cutting edge of investment in research and development with regard to forms of energy that use clean technology. There will be further expansion in this area in the years to come. It is interesting to note that on one particular day over 40% of this country's demand for electricity was met by wind energy alone. I forget what date it was, but it was obviously a very windy day. It is clear that we are getting closer to meeting our obligations under the various protocols. More importantly, there is huge potential in Ireland to create employment opportunities and generate revenue through the sale of clean energy technologies. We should try to remove the obstacles to the development of the industry.

Innovation and the smart economy are easy words to use in a fine sentence. We are talking about doing things in a more efficient and smart way and, as a result, having a more efficient economy. That is what the smart economy is really about. There is no grand design behind it. It is about being more efficient in what we are doing and more effective in our thought processes. Although it presents a huge challenge, the opportunities outweigh the negatives sometimes promoted in this country.

Not only should we benefit tourism as an industry, but we should also create an awareness of Ireland as more than an island one visits to enjoy oneself. It is good that people have a positive experience when they come here — they see us as a friendly people, etc. — but we should also remind them of what we have achieved. While we cannot ignore our present position, we should bear in mind that, as a nation, we have transformed ourselves beyond recognition by comparison with where we were 25 or 30 years ago. When emigrants who might not have been here for many years, who might not have kept in touch with Ireland or who might not be aware of how much we have progressed, return to this country, they are utterly overwhelmed by what we have achieved as a people in recent times. Tourism is a key sector.

Another sector in which the Government sees great potential is education. Again, this will not be for short-term gain in receiving fees from overseas students but for longer term gains in the links that will be created in bringing students with high capabilities to Ireland. If, while receiving an education, such students have a positive educational and social experience, on their return to their parent countries they will be inclined to keep in touch with the country in which they were educated. This will be of long-term strategic benefit to Ireland, as most of the individuals concerned will be involved in key decision-making processes in their respective countries in the fields of commerce, politics, culture and education. Consequently, the retention of such links is of critical importance. At the same time, Ireland will benefit commercially and economically on foot of the payments made by such students to come here. In other words, this is a win-win in the payment of fees in the short term and the building of strategic links in the long term.

I apologise to one or two Members because, unfortunately, I was obliged to leave the House at 1.30 p.m. to fulfil another commitment. Obviously, I will take into account what was said. Overall, there is a general acceptance that the strategy outlined is positive. I understand the views expressed by Members who suggested ways by which it might be tightened.

The question was raised as to the reason there had not been greater consultation with stakeholders. There was much consultation. Moreover, by definition, State agencies are not removed from reality. For example, Enterprise Ireland is at the cutting edge of interaction with small, medium-sized and high potential start-up businesses and deals with such enterprises on a daily basis. Moreover, many of its employees gained experience on the other side of the fence in the commercial world, as recruitment often brings such individuals into the organisation resulting in the sharing of experiences. Consequently, the agencies which promote Ireland abroad or try to attract foreign direct investment have a strong understanding of the difficulties and challenges faced by business.

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I again thank Members for their contributions and my officials for their hard work in compiling the document. While the trade council which has been established will only meet two or three times a year, it will report to the Government. More importantly, it will analyse on a continuous basis the output of the strategy and make sure the contents of the document are carried through by the various agencies of the State, including Departments, IDA Ireland, Tourism Ireland, Enterprise Ireland and Bord Bia, working together in harmony and unison to try to create a better Ireland for everyone.

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

Senator John Carty: At 2.30 p.m. on Tuesday, 12 October 2010.

Adjournment Matters

Special Educational Needs

An Leas-Chathaoirleach: I welcome the Minister of State, Deputy Haughey, back to the House.

Senator Paul Bradford: I thank the Cathaoirleach for giving me the opportunity to raise in the House the special needs of a seven year old child in my native county of Cork whose case is the source of much concern for her parents and community, who has Down's syndrome and who, up until one month ago, was happily attending her local national school, into which she had been well integrated with the assistance of a full-time special needs assistant. I acknowledge that all Members must seek equality in meeting the educational needs of each child. While it has been suggested the child in question will be treated like every other within the school, as she has Down's syndrome, there is no point in stating the same level of service should apply to her. She has special needs and requires the provision of the maximum service possible under the special needs assistance scheme.

The difficulty for the child and her parents stems from a decision taken just before the summer break that the full-time special needs assistant available to help her at school every day should have her hours reduced to one hour a day. Obviously, when this decision was made known to the child's parents, it caused great concern and consternation. Moreover, their worry and concern was shared by everyone in the local community because the child attends a typical small local national school, in which everyone works for the benefit of all. Consequently, the entire parish and community which had been happy to see the child being integrated as fully as possible into the local national school were distraught that her educational life had been severely changed following the withdrawal of the full services of the special needs assistant.

The Minister of State will be aware that when decisions are made to reduce the hours of special needs assistants, there is either a review or an appeals process. Unfortunately, in this case the parents were wrongly advised about the appeals process and did not lodge an appeal once the initial decision was made. My understanding of the regulations is that if an appeal had been lodged immediately, the special needs assistant would have been allowed to remain *in situ* until a decision was made. However, incorrect advice was given to the parents, an appeal was not launched and that there was instead a so-called review process which, regrettably from the parents' perspective, was in no way as inclusive or consultative as it should have been. It is difficult to know what exactly it consisted of because the parents were not as involved as they should have been.

The review process report advocated that instead of being reduced to one hour, the number of hours of the special needs assistant for the child should be reduced to two. However, it then

decreed, in what I consider to be a bizarre determination, that the two hours should not be consecutive. Apparently, assistance for one hour should be provided in the morning and for one hour in the afternoon. This makes little sense, in economic or practical terms, from the perspective of the person providing the special needs assistance for the child. The person concerned will be expected to drive to work for one hour in the morning, drive back home and then return to the school a number of hours later for one hour before returning home again.

I often speak in the House about the grave economic challenges facing the nation and fully acknowledge that money is extremely scarce. However, some priority must be given from an educational perspective in terms of equality of inclusion. Is it not wonderful that a child with Down's syndrome can be educated and integrated to the maximum degree possible in his or her own community? Both the parents and the entire community believe the child should be able to avail of the maximum number of special needs assistance hours to allow her to remain in her school of choice which is located almost beside her family home which makes matters much better for the child from both an educational and social perspective.

I have indicated to the Minister of State that the review process has produced a rather unusual result. Consequently, I ask him whether there is a facility whereby the case can be completely re-examined with the full input of the parents. I respect absolutely the right of the special needs education system, the board of management, the teachers and the principal to hold a particular view, but in cases such as this, which involves a Down's syndrome child, the concerns and views of the parents should be paramount.

A significant body of psychological and medical evidence available to those in charge of the review of the case suggested that significant hours of special needs support should have been provided for the child in question. That is why the reduction was so disappointing. The allocation was first reduced to one hour per day. Admittedly, it was then increased to two hours per day but they were not two consecutive hours.

The case has already been brought to the attention of the Minister for Education and Skills, Deputy Coughlan, and her adviser. I thank her for being willing to meet one of the parents of the child some weeks ago. She is, therefore, aware of the case in question. I ask the Minister of State to do everything possible to have the case examined further with a view to bringing about some justice and equality.

Minister of State at the Department of Education and Skills (Deputy Seán Haughey): I am addressing this matter on behalf of my colleague, the Tánaiste and Minister for Education and Skills. I thank the Senator for giving me the opportunity to outline the Tánaiste's position on the special needs assistant, SNA, scheme generally and, in particular, the allocation of SNA support for the pupil in question.

The House is aware that the education of children with special educational needs has been and remains a key priority for the Government. The Department of Education and Skills continues to invest considerable resources in schools to enable them to meet the needs of children with special educational needs. This year alone over €1 billion of the Department's budget is being spent to provide supports to enable learners with special educational needs to access education appropriate to their needs. The SNA scheme, in particular, has been a major factor in both ensuring the successful integration of children with special educational needs into mainstream education and the provision of support for pupils enrolled in special schools and classes.

The National Council for Special Education, NCSE, is processing applications from schools for SNA support and sanctioning SNA posts to schools. Schools which have enrolled children who qualify for support from a special needs assistant continue to be allocated SNA support. The terms and criteria for the SNA scheme have not changed. The Senator will be aware that the NCSE, through its network of local special educational needs organisers, is responsible for

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allocating resource teachers and SNAs to schools to support children with special educational needs. It operates within the DES criteria in allocating such support. It is independent in the making and issuing of its decisions on the allocation of such supports.

It is important to understand, in regard to the SNA allocation process, that the allocation for a school and adjustments to that allocation depend on a number of factors such as the number of pupils with care or medical needs leaving, the number of new pupils and the changing care needs of existing pupils in the school. SNA allocations are, therefore, not permanent. They are increased or decreased as pupils who qualify for SNA support enrol or leave a school. They are also decreased where a child's care needs might have diminished over time. The NCSE has confirmed that the pupil in question has access to an appropriate level of SNA support to meet her care needs. I understand the level of SNA support required by the pupil has diminished over time.

The Senator may be aware that one of the reasons for the allocation of SNAs is to assist children to develop greater levels of independent living skills. It is not generally in the interests of a child for the NCSE to leave an SNA in place where a child has achieved a greater level of independence. Doing so has the potential to impact on a child's personal development in a negative way. I am sure the Senator will agree that many children with disabilities do develop independent living skills as they grow and mature. Where a child develops to such an extent that he or she no longer needs the support of a SNA, that is to be celebrated. It is easy in the current climate for a decision to be portrayed as a cutback. However, as a community, we need to have ambition that looks beyond a disability and acknowledges ability that can lead to independence from SNA support for children with special educational needs.

The Senator is fully aware that the Department has prioritised the provision of special education supports for schools. This remains a key Government policy. However, this does not mean that resources, allocated in response to various historical factors, are retained in schools *ad infinitum*. At a time of constrained resources, it is essential that we ensure public resources are deployed as effectively as possible. Leaving resources in an area that are not in accordance with criteria means public resources are not available for another deserving area.

I have listened to what the Senator has said and will convey his comments to the NCSE for further consideration.

Senator Paul Bradford: As the Minister of State would expect, I am far from satisfied with what he has said. I appreciate, however, that he is speaking on behalf of the Minister and accept his commitment to bring the issue back to her desk. It is very much the concern and fear of the parents in this case that the child's development and skills have deteriorated as a result of the reduction in services. They fundamentally disagree with the assessment that the child can continue to make progress with a reduced service. I appeal, therefore, to the Minister of State to bring to the Minister's attention their strong concerns, worries and fears. The child's future career prospects, life skills and integration among her friends, colleagues and community will be severely hindered without the restoration of a full special needs service on a daily basis.

Podiatry Services

Senator Jerry Buttimer: I thank the Cathaoirleach for allowing me to raise on the Adjournment the issue of podiatry services for people with diabetes. A very strong campaign has been conducted across the country, particularly in County Cork, on the absence of leadership by the Government and the HSE in the management and treatment of diabetes. Approximately €23.3 million was spent between 2005 and 2009 treating what the Fine Gael spokesman on health, Deputy Reilly, would consider to be preventable diabetic foot disease complications. This expenditure illustrates short-term thinking in the health service. Of the 1,691 patients from Cork city and county admitted for treatment for foot ulcers during the five-year period, one

third had diabetes. A further 202 people with diabetes from County Cork had to have a lower limb amputation in the same period, a very high figure when one considers that 5% of the population suffer from diabetes. When one also considers that the paediatric diabetes service is poor and that the Minister and HSE have on a number of occasions been asked to be more proactive in this regard — they have not been — one will see that we are now forcing people with diabetes into under-resourced treatment services. We are prolonging hospital stays and spending money badly.

In the HSE South area €75 million was spent in treating approximately 2,500 inpatients with diabetes for diabetic foot disease between 2005 and 2009. That figure could be lowered by employing one hospital or community podiatrist to work locally to prevent contraction of the disease. In so doing one could run a foot screening programme that would, according to the Diabetes Federation of Ireland, cost a maximum of €80,000. For an investment of €1.56 million we could employ 20 podiatrists and provide a nationwide service. Ireland currently has the lowest number in Europe of employees providing podiatry for diabetes, has only two hospital podiatry posts and, I suggest, a broken and un-coordinated community service. The report of the Health Service Executive advisory group published in 2008 recommended we employ 100 podiatrists. I accept we will not be able to do this in the current economic climate but an investment of €1.56 million would allow us to employ 20 podiatrists. I am quoting in this regard statistics provided by the HSE. The effective control of diabetes would lead to a massive reduction in the development and progression of complications, a significant reduction in the number of amputations and a reduction in the number of people seeking hospital beds, resulting in savings to the State.

I look forward to hearing the Minister of State's reply. While I accept this is not his area of responsibility, I hope his reply will be positive.

Deputy Seán Haughey: I thank Senator Buttimer for raising this matter. I am responding on behalf of my colleague, the Minister for Health and Children, Deputy Mary Harney.

The national diabetes programme was established under the governance of the quality and clinical care directorate of the Health Service Executive to progress a national diabetes plan which has five key objectives, namely, to establish a national diabetic retinopathy screening service, to establish a national diabetes register, to progress foot care services nationally, to facilitate integration of diabetic services between primary and secondary care and to develop strategies to improve diabetic control and risk reduction to prevent diabetic complications. A clinician has recently been appointed to take the lead on the diabetes clinical programme and he is currently engaging with all stakeholders, including the Diabetic Federation of Ireland, clinicians and podiatrists to establish a multidisciplinary foot care package for diabetic patients.

General practitioners are competent in managing diabetes and all of its complications, including those affecting the foot. Chiropodists and podiatrists are specialists in all aspects of foot health and also treat people suffering from the complications of diabetes, including peripheral vascular disease. The aims of the podiatry service are to maintain mobility and independence in older people through assessment; treatment, education and support in a clinical and home environment; to perform total and partial nail surgery under local anaesthetic to children and young adults presenting with repetitive nail trauma and the education, assessment and care of diabetic patients to prevent complications of the foot. Patients requiring podiatry assessment and treatment may be referred from general practitioners, primary care team members, diabetes services and hospital services.

The HSE currently provides a podiatry service to medical card holders. The provision of chiropody-podiatry services varies in different regions of the HSE. Services may be provided by chiropodists and podiatrists employed directly by the HSE. Chiropodists and podiatrists are also contracted under the GMS scheme. These provide services on a sessional basis for clients

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eligible under the GMS scheme. Chiropodists-podiatrists who undertake these sessions are taken from a list of approved chiropodists and podiatrists who have been assessed for eligibility to practise in the public health service. In some areas of the country, a service level agreement is entered into with chiropodists-podiatrists for the provision of services to eligible persons. Monitoring arrangements are in place for the execution of these agreements.

A number of initiatives have been recently undertaken, including the development of a standardised podiatry assessment tool for diabetic patients. This will enable referring general practitioners and practice nurses to give the podiatry department an accurate assessment of the status of a diabetic patient's foot condition which, in turn, will ensure the podiatry department can identify and prioritise high risk diabetics and provide timely intervention as required.

In advance of the recent establishment of the national programme, a diabetes services implementation group for HSE South was set up and has been in operation in Cork and Kerry for the past two years. Its report on foot care services in Cork and Kerry is due for presentation in the coming weeks. The diabetes podiatry service at Cork University Hospital, CUH, is a specialist tertiary referral service provided to people suffering from diabetes-related foot complications. The diabetic foot clinic is an integral part of the endocrinology department at CUH, supporting and facilitating diabetes day care and inpatient care. Comprehensive assessment and specialist treatment of acute diabetic foot problems are provided. Access to the service is available to patients under the care of the endocrinology department presenting with acute diabetic foot problems such as diabetic foot ulceration and gangrene. The impact of this service has been to reduce the number of admissions and amputations for patients with diabetes. Localised podiatry services are also provided in the community through local health office primary care structures in the city and county. This is a generic service for all care groups which accept referrals from GPs, public health nurses and other relevant health professionals.

Podiatry input is recognised as an essential element in the multidisciplinary approach required to maintain the health of the diabetic population. Primary care teams, acute hospital services and the regional diabetes services implementation groups are working collaboratively to improve provision and access to podiatry services for people with diabetes. The HSE South is committed to providing the best possible quality of care to all diabetic patients within the resources available.

Senator Jerry Buttimer: While I thank the Minister of State for his reply, it is wholly inadequate in terms of specifics and on improvements in the service. I ask that he inform the Minister for Health and Children, Deputy Harney, that the response does not deliver a commitment to upgrade or provide a better service to the people.

Electricity Charges

Senator Brian Ó Domhnaill: I wish to raise with the Minister of State the electricity charges being imposed on the business sector, in particular small and medium sized enterprises and the affect these are having in terms of not aiding these businesses to become more competitive.

I would like first to focus on general electricity charges and the disconnection by the ESB of customers who are unable to pay their electricity bills, which is happening not alone in the business sector but in the domestic sector. It is disgraceful that this is happening throughout the country. I know of a number of families in my constituency who, through no fault of their own, were unable to pay their bills resulting in their electricity being disconnected and their having to pay a reconnection fee. I will give an example of another domestic connection in respect of which the ESB issued an invoice. While this issue is not directly connected to the motion I have tabled I would like to mention it. The cost of a 15 MW domestic connection is approximately €2,200. It is wholly unreasonable in the current climate that the ESB, a semi-

State company, is asking individuals who are struggling to obtain mortgages to build or purchase homes to pay €2,200 towards the cost of providing a connection to their homes.

I will provide some background in terms of where the ESB is coming from. The ESB, a semi-State company, should be providing incentives to the business sector which is trying to create jobs and to help turn around our economy. The ESB, not necessarily the Government, should be providing this incentive to the SME sector in which many of our population are employed. I ask that the Government negotiate with the ESB to try to devise a scheme to reduce electricity tariffs for small and medium-sized enterprises for at least 24 months or until the worst of the recession is over. A similar scheme operates in parts of eastern Europe. I understand the provision of direct State subsidies requires EU approval. State aid rules, however, provide some latitude for member states which wish to seek a derogation and provide a subsidy for the electricity supplier where a reduced level of electricity supply is provided for the SME sector. Certain member states are providing such a service and development agencies in some of eastern European countries are targeting Irish SMEs, with a view to persuading them to move to eastern Europe on the basis that they would have free electricity for a two year period.

We must improve business competitiveness by addressing the high and sometimes unbearable energy costs for small and medium-sized enterprises. The ESB is a semi-State company which makes massive profits. Its chief executive officer earned in the region of €600,000 last year. We must ensure some of the company's profits are redistributed to SMEs by reducing the cost of electricity to the sector.

As a corollary to this, the fees the ESB charges for domestic connections must also be addressed. While the two issues I raise are not directly connected, they are a cause of concern to many citizens. I appreciate the Minister of State may not be able to provide a conclusive response but hope the matter will be considered and, at a minimum, the Minister for Communications, Energy and Natural Resources, Deputy Ryan, will meet the CEO of the ESB to discuss establishing a mechanism to provide support for the SME sector. The sector consists of local businesses which provide jobs and the State's tax base. I hope these steps will be taken. I ask the Minister of State to convey my comments to the Minister at an early date.

Deputy Seán Haughey: I welcome the opportunity to address the issue of electricity prices for business and outline the steps the Minister for Communications, Energy and Natural Resources, Deputy Ryan, and the Government are taking to ensure Ireland's competitiveness.

Since last Friday price regulation has been removed from the entire business section of the electricity market and the ESB is now free to compete on price with the alternative suppliers in the business market. The Government introduced competition into the electricity market to benefit consumers and this competition is working. Many suppliers now offer a range of competitive products to business and the prices paid by business for electricity reflect this competition. In the past 18 months electricity prices for small businesses have fallen by between 10% and 12%, while prices for medium-sized businesses have fallen by more than 20%.

More Government involvement in the electricity market, in keeping with the Senator's call, would be a retrograde step, as it would shatter the confidence of those electricity suppliers which have entered the market on the basis of a stable and credible regulator regime. If the suppliers in question were driven out of the market, it would lead to higher electricity costs for all. Rather than seeking this end, Senators should encourage businesses which are concerned about the price they are paying for electricity to take positive steps to reduce their energy bills. Even today, after the focus on electricity prices in the past two years, more than 50% of small and medium enterprises have not yet switched their electricity supplier. Any business consumer who picks up the telephone and calls an alternative supplier can benefit substantially, regardless of his or her circumstances. Switching is quick, easy and capable of delivering real and significant savings.

[Deputy Seán Haughey.]

Businesses can also save money on their electricity bills by taking advantage of a wide range of Government supported energy efficiency programmes. More than €90 million has been allocated to the Sustainable Energy Authority of Ireland in 2010 for the expansion of its energy efficiency schemes. The SEAI offers grants supporting energy efficiency retrofit measures in buildings and business operations. Free energy management, mentoring, training, advice and other support services are also available to any business willing to show a commitment to becoming more energy efficient. More than 1,600 businesses have availed of this programme which is available to many more companies. Every business with which the SEAI has worked has identified immediate savings, typically greater than 10% of costs. Total business cost savings from the programme already amount to close to €60 million per annum, thus avoiding CO₂ emissions of more than 300,000 tonnes.

In addition, the accelerated capital allowance scheme, an energy efficiency tax incentive, was introduced in budget 2008 to encourage companies to purchase the most energy efficient plant, machinery and equipment for use within their business. The scheme was expanded in budget 2009 to cover 29 technologies and 5,500 individual eligible products. A further expansion in 2010 has resulted in the number of technologies covered being increased to more than 40. Accordingly, companies can write off the full capital cost of energy efficient equipment in the year of purchase. This encourages them to invest in products that meet the highest energy efficiency standards, saving them money and helping to lower our carbon emissions.

The Government has implemented measures that will deliver lower electricity costs to businesses and has done so in a transparent and credible manner that will maintain confidence in the electricity sector and regulatory regime. Key to these steps was the creation of a competitive market and facilitating the entry to the market of new players. The market is now delivering real benefits through lower electricity prices for business that are broadly competitive with those of our neighbours. For competition to be fully successful, businesses must be proactive in seeking out and availing of the best deals. Rather than calling for more State intervention and regulation, we should instead help the Government to educate these businesses on the savings available to them.

Senator Brian Ó Domhnaill: The Minister of State spoke about the assistance available to a number of companies. In my experience, this assistance is not available to the small and medium-sized business sector because many of the companies I have in mind are not large enough to avail of some of the incentives available for the use of green technologies. Although the all-Ireland electricity market has resulted in reduced energy prices, the ESB recently increased the price of electricity by 5% across the board. The other players in the market offer a service similar to that provided by the ESB, albeit at a slightly lower rate. As a State company, the ESB should discuss with the Department of Communications, Energy and Natural Resources the possibility of introducing measures to assist the SME sector. While the other energy providers could then follow suit, any such development would need to be initiated by the Department. In 2003-04 one of the State agencies, Údarás na Gaeltachta, made a submission to the Government seeking to have a proposal submitted to the European Commission. I ask the Minister of State to convey my request to the Minister.

Deputy Seán Haughey: I will do so.

The Seanad adjourned at 3 p.m. until 2.30 p.m. on Tuesday, 12 October 2010.