



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

TU AIRISC OIFIGIÚIL—*Neamhcheartaithe*
(OFFICIAL REPORT—*Unrevised*)

Dé Máirt, 6 Márta 2012.

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TUAIRISC OIFIGIÚIL OFFICIAL REPORT

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Dé Máirt, 6 Márta 2012.
Tuesday, 6 March 2012.

Chuaigh an Cathaoirleach i gceannas ar 2.30 p.m.

Machnamh agus Paidir.

Reflection and Prayer.

Business of Seanad

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

The need for the Minister for Jobs, Enterprise and Innovation to clarify whether it is necessary to amend the Constitution in order to legislate for a right to collective bargaining and for the mandatory recognition of trade unions by employers, and whether this will be among the issues to be considered and discussed by the constitutional convention.

I have also received notice from Senator Thomas Byrne of the following matter:

The need for the Minister for Jobs, Enterprise and Innovation to intervene urgently in the Lagan Brick industrial relations dispute at Kingscourt.

I have also received notice from Senator Colm Burke of the following matter:

The need for the Minister for the Environment, Community and Local Government to outline his proposals to assist elderly people who wish to downsize their living accommodation by selling their house to their local authority and to arrange for that local authority to provide them with alternative accommodation suited to their needs.

I have also received notice from Senator Martin Conway of the following matter:

[An Cathaoirleach.]

The need for the Minister for the Environment, Community and Local Government to instruct county registrars who will be responsible for the running of the forthcoming fiscal compact treaty referendum to employ competent individuals who are currently unemployed to fill the positions of presiding officers and polling clerks in polling stations around the country on the day of voting.

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

Order of Business

Senator Maurice Cummins: The Order of Business is No. 1, opt in motion as set out in No. 1 on the Order Paper, to be referred to the Oireachtas Joint Committee on Justice, Defence and Equality and to be taken without debate at the conclusion of the Order of Business; and No. 2, statements, questions and answers on the Action Plan for Jobs 2012, to be taken at the conclusion of No. 1 and to conclude no later than 5.45 p.m., with the contributions of group spokespersons not to exceed six minutes and the contribution from one Sinn Féin Senator not to exceed two minutes, and all other Senators are not to exceed one minute when asking questions of the Minister.

I wish to remind Senators of the briefing I have organised on the fiscal stability treaty by the Oireachtas Library and Research Service. The briefing will begin promptly at 1.30 p.m. on Thursday and will last for 30 minutes. I strongly encourage all Members to attend it in advance of the discussion on the treaty in the House next Wednesday, 14 March.

Senator Darragh O'Brien: I welcome next week's debate and I join the Leader in encouraging all Members to attend Thursday's briefing on the fiscal compact in the AV room. I ask the Government to make a clear statement on where it stands on the matter. Contradictory noises have been emanating from Cabinet on what this referendum will be about. A number of weeks ago the Minister for Transport, Tourism and Sport, Deputy Varadkar, said he was afraid of a referendum on the basis that other elements would be brought in. It is a fair point that matters that are not of this treaty would end up being debated. The intervention of the Minister for Social Protection, Deputy Burton, in this regard is most unhelpful. We all want some debt write-downs or a deal on the promissory notes. It is unhelpful and unwise to put this at the forefront of the debate at this early stage. The fiscal compact treaty is about how Ireland and the rest of the EU will have a mechanism to get funding if they cannot get it on the private market. I ask the Leader to make a firm statement that the Government's position is that this is a referendum on the treaty itself and not on supposed sweeteners and kites being flown by Labour Ministers in particular. There is not one voice coming from Cabinet as should be the case.

Senator Ivana Bacik: There is certainly not one voice from Fianna Fáil.

An Cathaoirleach: Senator Darragh O'Brien without interruption.

Senator Darragh O'Brien: I remind Senator Bacik that her party has been in government for more than a year and she should just get used to it. She and her colleagues in government have a responsibility to ensure a clear message comes from Government. I am raising the matter today because I am concerned there is not a clear message. The Leader can use his time later and the Deputy Leader, Senator Bacik, can take the opportunity to state the Labour Party's case on it and state that it is not about sweeteners, but about the treaty itself.

On numerous occasions I have raised the issue of how minority faith schools, particularly Church of Ireland schools, are affected by the cuts the Government introduced. Did the Leader see the comments by the Archbishop of Dublin, the Most Reverend Michael Jackson, on the impact the Government cuts affecting small urban and rural schools, particularly minority faith schools, are having on the Protestant community here? We are approaching the 100th anniversary of the 1916 Rising and the Government has stated it is trying to build a new Republic. I put it to the Leader that any republic should respect its minorities and ensure they flourish. I request a debate on the fact that 65% of all Church of Ireland schools are affected by Government cuts on the small schools area. I was saddened to read that an eminent figure such as the Archbishop of Dublin feels that we are under a creeping threat and it was uncertain whether this was for both economic and ideological reasons. This area is of great concern to me. The Government has reversed some of the cuts on the DEIS schools but has not done enough. The Government is badly letting down our minority faiths.

The Minister for Education and Skills, Deputy Quinn, should come to the House this week or next week to address this specific issue. We know he has particular views on the patronage of schools, which relate to Catholic, Protestant and other faith schools. Is this a means for him to pave the way for the removal of patronage from Catholic and Protestant schools and get it in under the radar? The Protestant community feels under attack from the Government, and it is an outrage and a shame. The Government needs to review and address the matter. I have raised the matter repeatedly here in the House because somebody needs to speak up for the minority faiths in this Chamber as it is certainly not happening within the Government.

Senator Ivana Bacik: I commend the Leader on organising Thursday's briefing on the EU treaty. I agree with what Senator Darragh O'Brien said about attendance and I certainly recommend it to all the Labour Senators. It is very important to have a good attendance from Senators at that important briefing. However, I wish to respond to what he said on where the Government stands on the treaty. Clearly, the Government stands on the point that this referendum is about the EU fiscal compact treaty, not about anything else. There is a very clear voice from the Government on this. I heard the Minister for Transport, Tourism and Sport, Deputy Varadkar, just this morning making that clear. There are other issues, of course, which will be helpful, as they would be to any "Yes" campaign in any referendum,——

Senator Darragh O'Brien: It is contrary to the Government line.

Senator Ivana Bacik: ——including the issue of the promissory notes that the Minister for Social Protection, Deputy Burton, mentioned.

To hear Fianna Fáil calling for a clear message when there are two voices on the treaty emanating from that party is ironic.

Senator Darragh O'Brien: There are not two voices. That is totally incorrect.

Senator Ivana Bacik: The message is very clear from the Government. We stand very clearly behind the "Yes" campaign for this referendum on the new fiscal compact treaty.

Senator Darragh O'Brien: Will that be without bells and whistles?

Senator Ivana Bacik: It is not about anything else, sweeteners or bribes, a point which has come very clearly from Labour and Fine Gael Ministers alike.

I call for a debate with the Minister for Education and Skills, Deputy Quinn, on schools patronage. I take issue with Senator Darragh O'Brien's comment that minority faiths feel the Government is doing nothing for them. Far from it.

Senator Darragh O'Brien: It is attacking them.

Senator Ivana Bacik: Deputy Quinn is the first education Minister to set up a national forum on patronage and pluralism in primary schools.

Senator Darragh O'Brien: That is a different matter altogether.

Senator Ivana Bacik: It is due to report in the next several weeks and it will examine precisely how parents' conscience and preference in terms of faith schooling for their children will be accommodated in a fast-changing Ireland in which we see increasing numbers of children of different faiths and no faiths.

Senator Darragh O'Brien: Up to 65% of all Church of Ireland schools will be affected by the Government's policies.

Senator Ivana Bacik: Our current system of school patronage with 96% of primary schools under Catholic patronage does not reflect the growing reality of Irish families today.

Senator Darragh O'Brien: Why is the Government attacking Protestant schools?

Senator Ivana Bacik: I compliment the Minister's announcement today——

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

Senator Ivana Bacik: ——on the patronage of a number of new schools, including several Educate Together schools in Tallaght and elsewhere, which will reflect a multid denominational ethos which is very important.

I have a question for the Leader on Syria. All Members must be appalled by what they see happening in the besieged city of Homs and today's reports on the torture of not just civilians, but hospital patients by Syrian Government forces. It would be useful if the House could agree a cross-party motion calling in particular on the Russian Government, now that Vladimir Putin has been re-elected President, to withdraw support from the brutal regime of Assad and move towards a ceasefire where Syrian Government troops no longer fire indiscriminately into and causing blatant atrocities against civilians in Homs.

Senator John Crown: I must preface my remarks by saying that my colleague, Senator White, will be proposing an amendment to the Order of Business regarding legislation which I wish to support. I will be seconding that amendment.

An Cathaoirleach: Senator, you cannot second it before it is proposed.

(Interruptions).

Senator John Crown: Exactly, that is the dilemma we face. I am speaking first so we were not sure about the procedural process. I like to be a constitutional revolutionary anyway. It is worth waiting for. The Cathaoirleach will like it.

Will the Leader ask the Minister for Health to schedule an urgent emergency debate on the plans of the State for dealing with the unfolding crisis in paediatric medical care, specifically with respect to the disclosures made that the two leading largest children's hospital — real hospitals, not some fantasy on some architect's drawing board — have been confronted with catastrophic cutbacks and crises? These crises were precipitated by a strategic decision that all short and intermediate-term investment would be put on hold until the national children's hospital was constructed. This was a valid excuse for delaying certain infrastructural devel-

opments in these hospitals because of the sense we would reach the long-promised land of a grand tertiary referral centre for all the children of the State. Now it looks like that project is on hold indefinitely.

Professor Michael O’Keeffe, an ophthalmologist in the children’s hospital in Temple Street, bravely came out during the week to inform the State that at the same time as the national children’s hospital was put on hold because it would upset the view of Dorset Street and the north inner city, children were having their sight compromised by the closure of operating theatres which meant there were lengthening waiting lists for vision-saving, vision-restoring and vision-protecting eye surgery. He went further to say that he knew from other areas in the hospital that the closure of these operating theatres could have the spin-off effect of placing children’s lives at stake because some of the conditions for which they were now being put on waiting lists were life-threatening conditions. Similarly, our colleagues at Our Lady’s Hospital for Sick Children in Crumlin, an institution on which I have written in defence on many occasions when it was under vicious administrative assault a couple of years ago when its funding was slashed and one which has shown itself to be extraordinarily adaptable at living within ever-shrinking budgetary guidelines at a time when the demand for its services is increasing and the sophistication of the treatments which it offers is broadening, were forced to go public in the past two days to announce that they were issuing what is unheralded in the Irish health system, namely, a public appeal for philanthropic money. This is not for research, but to develop the clinical services in the hospital, in particular the Dickensian conditions which apply in the tertiary care centres for both cancer and cardiology in terms of the bed complement.

The context in which this must all be seen is the extraordinary decision by An Bord Pleanála to reject the siting of the children’s hospital last week. Without revisiting the issue *ad nauseam*, it is well known that there was exactly zero consensus among the medical-paediatric community as to where the hospital should go. Roughly speaking, it shook down along entirely predictable lines. People who worked for one hospital wanted it in their hospital while people who worked in another hospital wanted it in their hospital. These are good people. It was not due to selfishness. Institutional loyalty is something we must admire, but we all agreed that even if the decision was not the one we wanted — for the record, I was in favour of building a new children’s hospital in Crumlin, because I thought it was already 80% of a fine international children’s hospital — but the opinion was that wherever they picked it, we would all get behind it, support it and get it built. Now it appears that the objections that have been raised to the hospital have nothing, zero, nada, rien, to do with the care of children or the access of the site for people with parking or for public transport. It was based entirely on two criteria. One was the view, which, I am sorry to say to my architectural colleagues, is a wholly subjective observation. The view of the building would have been a whole lot nicer than some of the views with which we have blighted our skyline. The second is the nebulous term of “overdevelopment of the site”. Most of what will be in the site is already there. It is not as if they are moving a whole new children’s hospital in where none existed. Temple Street exists 200 m away. About half of what was going to the new children’s hospital was coming with Temple Street anyway. The maternity hospital in the Rotunda is approximately 300 m away. It is not as if they were bringing the population of Guangju and dumping them in Dublin 1. They are redeploying——

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

Senator John Crown: The question is whether he will please ask the Minister for Health to schedule an urgent debate so we can have an informed discussion and some input into this critical decision? I sense a disaster in the offing, in particular if they decide to amputate this

[Senator John Crown.]

hospital and put a rump children's hospital shoe-horned into the site which the architects will not find offensive to the view on Dorset Street. Our children deserve better right now.

Senator Jim D'Arcy: I note that it is reported that divergent views have been expressed by Cabinet Ministers on when to hold the referendum on the fiscal compact treaty. While that is understandable, I urge the Leader to express to the Taoiseach the necessity for holding the referendum at an early date, and in any event not later than the end of May. We must put this question to the people as soon as possible, consequent to getting out the relevant information to inform public debate and pass the treaty.

As the only English speaking country in the eurozone, we are uniquely placed at present to attract foreign direct investment such as the 1,000 PayPal jobs which are coming to Dundalk. In order to stay at the heart of the euro, passing this treaty and showing our full constitutional commitment to the fiscal compact, as Senator Darragh O'Brien has said, would be a wise course of action.

Senator Denis O'Donovan: I rise to raise the decision last week in the Bailey case in the Supreme Court. At the outset I welcome the Ombudsman's decision to seek a second report into the activity of gardaí on the case. However, I have other concerns. The Minister should attend the House or comment publicly on the reason a direction by the Director of Public Prosecutions, DPP, more than ten years ago about there being insufficient evidence to prosecute the case was not acted upon and was left in abeyance.

There seems to have been a major issue with the propriety of the European arrest warrant, yet the Department of Justice and Equality was willing to act on it. Were it not for the DPP's intervention and information being made available, the Supreme Court would have been left in the dark.

I live in the area. The people of Schull, Mizen and Goleen wonder at the total disregard of the public's views by the DPP and various justice Ministers. The public was given the false impression that the Garda had its man, allaying people's fears. However, a vicious murderer is still at large. A woman on her own was battered to death the day before Christmas Eve 15 or 16 years ago. Why is it only coming out now that the Garda does not have its man? These issues should be addressed.

The report by the Ombudsman only deals with one aspect of this unusual and groundbreaking case, which went as far as the Supreme Court. The Minister, Deputy Shatter, must take responsibility for the European arrest warrant. After ten years, the DPP released information that should have been made public years beforehand. The public was sold a pup. The fears of the community must be taken into account.

Senator John Whelan: I want to put on the record something that must never be forgotten by the House or the country, that being, our banks have brought the country to the brink of ruination. They walked the last Government into a haymaker when they suckered it into the bailout and turned private debt into sovereign debt.

In the context of our debate on the fiscal treaty, I call on the Leader to tell the Minister for Finance that he must intervene with the banks. It has been proven beyond question that they are not open for business. The Irish Banking Federation, IBF, repeatedly claims that the banks want to fund small businesses, the self-employed and family businesses if they have good propositions, but there is a raft of anecdotal evidence to the contrary. No Senator is unaware of businesses that are being turned down daily. The banks have a new mechanism so that these rejections do not enter the official record. They talk a person down on the telephone or talk

one out of applying in the first place, which means it does not show up as a refusal. In reality, they are misleading the Government. They must be taken to task. They privatised the gain and nationalised the pain, but there has been no *quid pro quo* for the taxpayer. There is not a single family in the country that is not paying the price for what occurred. Will the Leader arrange a debate with the Minister for Finance? I have irrefutable evidence of countless companies being refused finance. More small businesses will be driven to the wall and start-ups will be curbed. This is not just my opinion. I received evidence this morning. A small business issued a number of cheques during the weekend, one of which was bounced for the sake of 27 cent.

The Governor of the Central Bank, Professor Patrick Honohan, shares my opinion. This week, he confirmed that the lack of finance for the small business sector, as has been highlighted by the Irish Small and Medium Business Enterprises Association, ISME, and the Small Firms Association, SFA, for months, was actual. The Government must stand up to the banks and call the chief executives to task for not giving out the money we gave their banks for business loans.

Senator Sean D. Barrett: I welcome the decision of the Minister for Health, Deputy Reilly, to reconsider the size of the proposed children's hospital. In a short number of years, this city has closed Sir Patrick Dun's Hospital, the Hume Street hospital, Dr. Steeven's Hospital, the National Children's Hospital on Harcourt Street, the Meath Hospital, the Adelaide Hospital, the Jervis Street Hospital, the Richmond Hospital, Mercer's Hospital and St. Vincent's on the Green. When ten hospitals close, the replacement building is so large that it cannot meet the planning restrictions. Will the Leader ask the Minister to include in his review a diagnosis of the Edifice complex, which seems to dominate hospital policy in Dublin?

Our next item of business is to establish "a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice". This is an Orwellian title.

Senator David Norris: Hear, hear.

Senator Sean D. Barrett: Would it not be better if a Europe with mass unemployment and a dysfunctional currency that has caused so many problems, as alluded to by Senator Whelan, invoked the old rule we used to have in the licensing system whereby one can open one new quango provided one shuts down at least two old ones? Setting up new quangos at this stage in Europe indicates that many people in Brussels are completely out of touch with what is happening and the failure of many of their policies, which are affecting so many unemployed people throughout the Union at this time.

Senator David Norris: Hear, hear.

Senator Sean D. Barrett: Our dealing with the request to set up more quangos without debate does not correspond with the problems people feel, not least in a country where unemployment has risen from 4% to 14% in a three to four-year period because of European mismanagement of the currency.

Senator Cáit Keane: Seachtain na Gaeilge nó coicís na Gaeilge atá ann anois agus tá a lán rudaí ar siúl. Maidin amárach tá neart rudaí ar siúl sa Teach seo agus tá súil agam go mbeidh gach éinne páirteach iontu.

Maidir leis an rud a dúirt an Seanadóir O'Brien i dtaobh an t-easaontas atá eadrainn, níl aon easaontas idir an Tánaiste agus an Taoiseach. Ba cheart dúinn go léir gach taobh dár meabhair a úsáid, an taobh clé agus an taobh deas. Cuirimse na promissory notes ar an taobh clé agus

[Senator Cáit Keane.]

cuirim an referendum ar an taobh deas. Tá an Aire Noonan ann agus tá na promissory notes fós ar an glár. Tá an reifreann ar an glár freisin, ach sin scéal eile. Ceapann an Seanadóir that we should be able to deal with both issues at the same time without confusing them and saying they are connected.

I ask the Leader to ask the Minister for Justice and Equality, Deputy Shatter, to come to the House to discuss certain legislation before he introduces it here. I was at a briefing by the Irish Refugee Council and other NGOs today and noted they had great praise for the Minister regarding what he is doing for immigrants. What is being done, however, is being
3 o'clock done on an individual and piecemeal basis. Basically, the organisations are saying that what the Minister is doing in an individual capacity and humanitarian manner should be written into legislation. The Minister stated he will bring the immigration, residence and protection legislation of 2010 before the House again. Before this, the House should debate what should be amended in the Bill to ensure people's rights are honoured. I refer, for example, to the 15-day residency clause.

Senator David Norris: Hear hear.

Senator Cáit Keane: Provisions are being implemented at present on a piecemeal basis and the Minister has been complimented on doing so, but the procedure should be written into legislation so everybody will know whether he is coming or going. I ask the Leader to ask the Minister to come to the House to have a full discussion on this.

Senator David Cullinane: Mar is eol do na Seanadóirí uile, is í seo Seachtain na Gaeilge. Is seans iontach é seo chun aitheantas a thabhairt do thábhacht agus fiúntas an teanga. Ba mhaith liom tréaslú le gach duine atá páirteach sa féile seo agus atá i mbun eagrúcháin nó imeachtaí de gach shaghas. Níl ach beagán Gaeilge agam féin, ach tá sé ar intinn agam í a fheabhsú agus beidh mé ag freastal ar ranganna as seo amach leis an cuspóir sin. Cuireann sé an-áthas orm an méid daoine óga atá ag foghlaim na Gaeilge a fheiceáil, ina measc mo mhac Emmet, agus cuireann sé lúcháir orm freisin an méid daoine óga atá páirteach i gcur chun cinn na Gaeilge agus sa féile seo. Tá an Ghaeilge go forleathan sna meáin, tá nuachtáin Gaeilge againn, cúpla stáisiún raidió a fheidhmíonn trí Ghaeilge agus, ar ndóigh, TG4.

Mar fhocal scor, ba mhaith liom moladh thabhairt do na Seanadóirí agus na Teachtaí a bhaineann úsáid as an Ghaeilge go rialta agus a thugann spreagadh do Sheanadóirí eile an méid bheag Gaeilge atá acu a úsáid. Beatha teanga, í a labhairt. It is important that more Irish be spoken. It is Seachtain na Gaeilge, the week we are encouraged to speak Irish. There is a coffee morning tomorrow which I hope all Senators will attend. It is important that we try to support the Irish language where we can. I will try to use a little more Irish this week, and it is important that as many Senators as possible will also do so. Go raibh maith agat.

Senator Colm Burke: To follow up on what Senator O'Donovan said about the west Cork case, it is important to acknowledge that it was the Attorney General and the Minister for Justice and Equality who released the papers to the solicitors for the person whom the French authorities were attempting to extradite. It was an important decision and, in fairness to everybody, it was important that this information was made available. The right decision was taken.

Senator Jillian van Turnhout and I went to Finglas on Friday with some other Members of the Oireachtas. We were trying to deal with the issue of finding a solution to the delays in issuing medical cards. As of 1 March last, over 1,734,000 medical cards have been issued. Another 124,000 people have general practitioner, GP, cards. Approximately 40% of the population will have a GP or medical card by the end of 2012. It is important to be aware of the

volume of work being done by the people in the HSE who are dealing with this matter. Over 338,000 medical cards were issued between 1 July 2011 and 1 January 2012. That is a huge number.

I agree that the reorganisation of the system was carried out in too short a time period. Previously, there were 100 locations issuing medical cards and that operation was brought into a single location. Perhaps it might have been better if it had been streamlined in a more co-ordinated manner over the last six months. However, that is the current position. A total of 31,000 medical card applications are outstanding. Those applications were lodged prior to December 2011 and every effort is being made to have them resolved by the end of April next. Therefore, everybody who applied for a medical card prior to last December will have their medical card by the end of April.

One of the issues that arose was the problem of incomplete applications. Approximately 25,000 applications on hand are incomplete. In other words, all the necessary information has not been supplied. I realise there was an issue with information being misfiled but that is being dealt with. A serious effort is being made in this area. The concerns that were raised in the House have been taken on board and many matters are being fast-tracked. However, I believe we should revisit this matter in four weeks, to ensure that the commitments we were given in Finglas last Friday are being fulfilled and that there is no further downturn in the number of medical cards issued over the next four weeks. I ask the Leader to put it on the agenda for four weeks hence.

Senator Mary M. White: I wish to move an amendment to the Order of Business that No. 11 be taken before No. 1 today.

An Cathaoirleach: Another Senator, who has not already spoken, will have to second the Senator's motion.

Senator Feargal Quinn: I will have the pleasure of seconding the motion later.

Senator John Kelly: Thousands of turf cutters will descend on Leinster House tomorrow to protest what is happening with the age old tradition of turf cutting on raised bogs in rural Ireland. Many of them will be from my constituency. I compliment the efforts made by the Minister for Arts, Heritage and the Gaeltacht, Deputy Jimmy Deenihan, who has bent over backwards to try to find a resolution to this problem. He has worked hard on it along with Mr. Conor Skehan of the Peatlands Council. However, at this 11th hour I call on the Minister to increase any proposed compensation package for turf cutters. What moves are being made to find alternative bogs for relocation purposes, similar to what has been achieved in Mountbellew, County Galway? Will the Minister adequately supply turf cutters with turf on the same basis as the increase I have called for in compensation? I call on the Minister to adequately supply turf cutters with turf on the same basis as an increase in compensation, which I call for as well.

Another important thing to be dealt with is a speedy delivery of the compensation package that many turf cutters have already signed up to but not received because of an issue over the title of property. Many of these turf cutters are finding it difficult to prove title despite the fact that they have cut turf for ten, 15 or 20 years on these bogs. I have suggested to the Minister previously and I say it again now that this should be done on the basis of a statutory declaration. If a person declares that he has cut turf on a bog for ten or 15 years, it should be accepted by the Minister and the compensation package should be paid to him.

Finally, the contractors who have invested heavily have been forgotten in all of this.

An Cathaoirleach: Are you looking for a debate on this?

Senator John Kelly: They have invested heavily in plant and machinery to cut turf for local turf users in rural Ireland. Instead of bringing in Bord na Móna to supply these people this year on a tender basis, they should be bringing in the local contractors to provide the turf for these people well into the future. Rural Ireland has taken a battering of late and it is time that we reconnect with it across the board.

Senator Feargal Quinn: I second Senator Mary White's motion to hold a debate on No. 11 today. It may have already been seconded by Senator Crown but, in case it has not been, I second it now. It seems out of place for those of us who have already reached the age of 65 years but who have not been forced to retire from the House to force others to retire. This does not make sense.

A man was arrested this morning for the non-payment of three fines. He was subsequently jailed. This occurred in County Limerick. It is outrageous to use jail for the enforcement of offences that can easily be collected by taking products from people instead. The ability to put people into jail almost on a whim makes no sense. We have passed legislation previously to enable the authorities to fine people and, if they do not pay the fine, we can deduct the money from whatever source, either by taking products, goods or money instead. Some 90,000 foreigners did not pay fines incurred through travel on our roads. Some 90,000 points were not paid for and 90,000 foreigners did not pay the fines with which they were charged.

It seems to be easy for someone to come across the Border. Those of us who use the M1 from Dundalk to Dublin will know that as one comes down that road, one is regularly passed by Northern cars driving past and, to a large extent, they ignore the speed limits. The same applies when one goes north of the Boarder and one finds southern cars ignoring the speed limits as they head to Belfast. The ability to avoid fines because one does not live in that part of the country is something we should be able to handle more easily. If one is caught under the influence of alcohol, one is not allowed drive one's car any further. One must park it there and find one's own way home. Surely, there are other ways of enforcing the legislation. To put someone into jail for the non-payment of three €200 fines makes no sense. The correct procedure should be to remove the person's property in some form or other.

Senator Martin Conway: I thank the Leader for organising the briefing on the European fiscal compact treaty. The coming weeks will involve a journey to define our future as a nation. Whatever the result of the referendum, it will be a defining moment in our history and it will affect generations to come. I am pleased that the "Yes" bus has got off to a good start. I am also pleased that our colleagues in Fianna Fáil have taken front seats on the bus. Their role in this campaign is remarkably important. This House can be in the driving seat in terms of discourse, discussion and debate.

I call on all people who believe in Europe to study the treaty. When they have studied it and realise the implications of what is involved, they will vote "Yes".

Senator David Norris: I do not think so.

Senator Martin Conway: Any independent-minded Member of the Dáil or the Seanad who believes in Europe and wants to support the "Yes" campaign should make a declaration now and get in behind the campaign. The bus is going and it will not be diverted by scaremongering about bondholders, promissory notes or anything else that has no relevance to this treaty.

Senator David Cullinane: The Government is already doing that.

Senator Martin Conway: I call on civil society and people in business who realise the importance of this country having a central role in Europe to get out and campaign for a “Yes” vote. I also call on voluntary groups, farming organisations——

An Cathaoirleach: Is the Senator looking for a debate on it?

Senator Martin Conway: ——those involved in education and those who have the interests of this country at heart to get out, join the bus and campaign for a “Yes” vote.

Senator David Cullinane: And more cuts.

Senator Terry Leyden: I support Senator Kelly’s points on the turf-cutters and the contractors who are lobbying against the draconian decision taken by a previous Fine Gael-Labour Government which agreed with the European Union to sign the order to restrict turf-cutting on bogs.

Senator Michael Mullins: It took 14 years to change it.

Senator Terry Leyden: Unfortunately, commitments were given in the general election by various Fine Gael candidates in Roscommon, one of whom said he had signed his commitment in blood, a very dramatic gesture. However, he subsequently, along with the other candidate, ran away from the issue. I cannot name the Deputy because he might be upset. I have upset him in the past and I certainly do not want to upset him again.

Senator Michael Mullins: That would not be in the Senator’s nature.

Senator Terry Leyden: I am just trying to be fair to the Deputy involved.

The turf-cutting saga has been going on too long. The Minister for Arts, Heritage and the Gaeltacht, Deputy Deenihan, is doing his best to resolve this issue and has put much effort into a solution. However, there will be a major protest about it here tomorrow. Will the Leader arrange for the Minister for Arts, Heritage and the Gaeltacht, Deputy Deenihan, to outline to the House what he has achieved to date? The Minister should also ensure no further bogs are designated to be preserved. We have all been involved in turf-cutting. I presume the Cathaoirleach himself has been involved in turf-cutting like myself.

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

Senator Terry Leyden: Will the Leader arrange for the Minister for Arts, Heritage and the Gaeltacht, Deputy Deenihan, to outline to the House his proposals to individual plot owners? This may give us a better opportunity to discuss the matter.

Senator Michael Mullins: I support Senators Kelly and Leyden in the matter of the prohibition of turf-cutting. Clarity needs to be brought to the matter. I hope the negotiations taking place can be brought to a successful and full conclusion. I also hope everyone involved will be prepared to compromise because it is an issue that can divide communities which I hope it does not come to over the coming months.

I am in a particularly positive mood this afternoon because over the weekend we had many positive activities in County Galway. Yesterday, in my hometown of Ballinasloe a €1 million child care facility was opened by the Minister for Children and Youth Affairs, Deputy Fitzgerald. On Friday, the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, announced 80 new jobs at SourceDogg in Dangan. This morning, funding of €3 million was announced for transport projects in Galway city.

[Senator Michael Mullins.]

Remaining in a positive vein, thousands of talented people exited from the public service over the past several weeks and as many people have retired in their early 50s. Hopefully, all of them will enjoy good health for the next 20 years. This is a significant resource that should be tapped into by the State. Many of the people in question would like to give something back now they are retired with secure pensions. They can give advice and mentoring in business, education and health care. I would like if this resource could be tapped into and utilised in some structured way. Will the Leader organise a short debate in the coming weeks with the Minister for Public Expenditure and Reform to see how this goodwill and energy among those retired people who want to give back to the State can be harnessed? We are at a point where the country needs all the help it can get. If people are willing to give voluntarily of their services for the good of the nation, we should avail of that facility.

Senator David Norris: I wish to move an amendment to the Order of Business, that No. 1 will be taken with debate. My colleague, Senator Barrett, spoke about that and put it in the context of the economic situation.

Senator Crown spoke about the fact that he sensed a disaster in the offing. Senator Whelan spoke tellingly about the impact on business of the current financial situation. Senator Conway suggested that people who want to support the referendum should jump on the bus now. I have news for him; it is not a bus, it is the *Titanic*. If he cannot see the iceberg then he is totally blind.

Senator David Cullinane: Hear, hear.

Senator David Norris: The political correspondent of *The Sun on Sunday*, if I may use that term of the Taoiseach of this country, Deputy Enda Kenny, signed an instrument which contained a blackmail clause. He did not have to do it. He had the option of using the Irish veto, but we are now tied into it. If and when the instrument is signed we are consigned into a situation where goals of financial austerity are set that are totally unachievable in any conceivable timescale. Let people know that this is what is happening. Austerity has not worked ever in the history of the economy. It is devastating the economies of European countries as we speak.

We threw away the one card we had. As a result we have placed ourselves in an extraordinarily difficult situation. Let us look at what we are doing and how we are addressing it. Just before Christmas we appointed people from Goldman Sachs to the board of the Bank of Ireland. We are putting Goldman Sachs in charge of unloading our bonds if the market ever recovers. We have not learnt that it is the system that is rotten. I will continue to repeat—

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

Senator David Norris: —that the danger is that we have put the welfare of the people second to the preservation of a system that is rotten, corrupt, and criminal and is the iceberg towards which this *Titanic* of Europe is sailing.

Senator David Cullinane: Hear, hear.

Senator David Norris: It is about time someone said it. I am calling for a debate and I also move an amendment to the Order of Business.

Senator Paul Coghlan: In fairness, Senator Darragh O'Brien's concerns are understandable if there was any question of the Government not speaking with one voice, but as we know the

Cabinet is totally united on the stability treaty and will campaign vigorously knowing that it is in the country's best interests. I have no doubt that if Deputy O'Brien's side and our side, act together, as he put it, and keep the debate focused on what is contained in the treaty itself that we will be successful. In that regard I compliment the Leader, as Senator O'Brien did, on the facility provided on Thursday for a briefing on the treaty during which we can go into more detail. In fairness, most sensible people see it as a no-brainer and a win-win situation, contrary to what has been said by others.

The promissory notes are a separate issue. There is no doubt the Minister for Finance, Deputy Noonan, has done and continues to do much work on them. We know that involves all of the states in coming to a common ground on the issue. It speaks for itself that it is a separate issue and we should leave it alone.

The big danger as I see it on the so-called fiscal stability treaty is that if we were to vote "No", which I do not believe we will do, Europe would move on without us. That would not do us any good. On insurance policies, if I may put it in such a way, this talk of austerity is overdone. We will never be back where our mothers were with butter coupons and grocery vouchers. I was too young at the time to know their exact title and it slips my mind at the moment.

Senator Darragh O'Brien: I do not know why Senator Coghlan is looking at me.

Senator Paul Coghlan: Senator O'Brien is only a baby in this House.

An Cathaoirleach: Senator Paul Coghlan can make these points during the debate.

Senator Paul Coghlan: Like other Senators, I compliment the Leader on what has been arranged for the AV room on Thursday.

Senator Kathryn Reilly: No longer will our children, like our cattle, be brought up for export. We are all aware of last weekend's juxtaposed images of the Ard-Fheis of the party founded by the man who made that remark and the Working Abroad Expo in the RDS that saw 20,000 people seeking employment outside the State. This morning, the Ombudsman, Ms Emily O'Reilly, stated that emigration was not always the worst option for young people and that it could be a practical measure. This followed numerous Ministers' claims that emigration was a lifestyle choice. I know that——

Senator Darragh O'Brien: The Senator's friends in the IRA forced enough people out of this country.

An Cathaoirleach: Senator Reilly without interruption.

Senator Kathryn Reilly: It is petty of the Senator to resort to a remark like that when discussing such a serious issue.

Senator Darragh O'Brien: It is true, and this is a serious issue.

Senator Jim Walsh: Killing people is more serious.

Senator Kathryn Reilly: The Minister, Deputy Bruton, will attend the House after the Order of Business to discuss the Action Plan for Jobs 2012, but now is the time for a real discussion on emigration and on why so many people emigrate, given the claims about lifestyle choices and emigration not always being the worst option.

[Senator Kathryn Reilly.]

The Irish are among the top five nationalities of people seeking working visas in Australia. I have been in contact with many Australian parliamentarians who stated that their Irish immigrants had the engineering and construction skills their country needed. The Seanad in particular should start to engage in a discussion on why so many young people, including families, are emigrating so that we can dispel the rumours about lifestyle choices and practical measures.

We also need to engage with the diaspora. Senator Daly has a motion on the Order Paper concerning an honorary Senator to represent the global Irish community. We need to start examining measures such as these, given that 12 people will emigrate in each of the State's electoral divisions this year. Concurrent with our debate today, can the House start to consider emigration as a topic for discussion?

I second Senator Norris's amendment to the Order of Business.

Senator David Norris: I thank the Senator.

Senator Terry Brennan: Seo Seachtain na Gaeilge agus ba mhaith liom cúpla focal a rá i mo theanga féin. Déanaim comhghairdeas don ghalfaire Rory McIlroy a bhuaigh an Honda Classic, comórtas mór gailf, sna Stáit Aontaithe an Domhnach seo caite. Is é an galfaire is fearr ar domhan anois, aidhm a bhí aige ó bhí sé deich mbliana d'aois. Ambasadóir iontach é Rory, cosúil le gach bean agus fear spóirt ó gach spórt sa tír seo a théann thar lear mar ionadaí na tíre. Táim cinnte gur thóg agus go dtógfaidh Rory i bhfad níos mó galfairí——

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

Senator Terry Brennan: ——ó na Stáit Aontaithe i mbliana agus sna blianta atá romhainn.

Senator Darragh O'Brien: An bhfuil Gaeilge ag an Chathaoirleach?

An Cathaoirleach: Tá beagán agam.

Senator Terry Brennan: Aistreoidh nuair a thabharfaidh sé freagra dom i mo theanga féin. An bhfuil sé ceart go leor sin a dhéanamh?

An Cathaoirleach: The Senator is out of order. We do not congratulate people on the Order of Business.

Senator David Norris: On a point of order, I have been informed that a remark I made has been completely and deliberately misinterpreted. People have been tweeting about it. When I referred to people being unable to see that we were facing the *Titanic*, it had nothing whatsoever to do with the fact that one of our colleagues suffers from partial blindness.

An Cathaoirleach: That is not a point of order.

Senator David Norris: I bitterly resent such a disgusting performance from the office of a Senator on that side of the House. I will not take it. I would not demean myself by making such a remark about a man who has made a valuable contribution and who I greatly value.

An Cathaoirleach: The Senator should resume his seat.

Senator David Norris: If that party sinks to that level, the sooner it is out of government, the better.

An Cathaoirleach: That is not a point of order. The record of the House will speak for itself. I call Senator Walsh.

Senator Jim D'Arcy: That was inappropriate. To which party was the Senator referring?

An Cathaoirleach: Senator Walsh without interruption, please.

Senator Jim Walsh: At approximately this time last year when the Taoiseach was elected and the Government formed, the programme for Government included a commitment to tackle wasteful expenditure across the public service. I have seen nothing in that regard and I ask that the Minister for Public Expenditure and Reform, Deputy Howlin, who has responsibility in this area, should attend the House to debate the issue. He should explain why nothing has happened and the House can then explore what might be done in this regard.

A newspaper article today points out that the State gives an estimated €1.5 billion per annum to disability sector organisations and to other NGOs. It points out that one person in an administrative position is receiving a salary of €234,000 and others are getting almost €200,000. It is unconscionable that hard pressed taxpayers should have their money taken every week so that the State can pay it on to people who are on salaries that are multiples of what those poor people, who are struggling to make ends meet, are getting. It is not right and should be discontinued. Even though the State may decide it cannot intervene in salary levels, he, who controls the purse, controls what goes on in those organisations. This also applies in the human rights and equality sectors. A whole industry has developed and people are creaming off huge salaries that they would not be able to secure in the private sector.

Le críochnú, ba mhaith liom aontú leis an méid atá ráite ag na Seanadóirí mar gheall ar an dualgas atá orainn an Ghaeilge a chur chun cinn. Mar sin, iarraim ar an Cheannaire gur féidir go gcuirfeadh sé aistriú ar Riar na hOibre ar maidin chun ábhar amháin a bheidh ar an chlár amárach, lá na Gaeilge. Tá sé oiriúnach dúinn sin a dhéanamh agus molfaidh mise é má dhéanann sé sin.

Senator Mary Moran: I welcome this morning's Cabinet agreement to roll out broadband to all secondary schools. All 650 secondary schools will have high-speed by 2014 — 200 this year, 200 next year and the final 250 in 2014. Having high-speed broadband will have a major impact on how teachers use ICT in their teaching and I must commend the Minister, Deputy Rabbitte, and the Government on this very welcome initiative. As a former teacher, who only left the classroom nine months ago without any broadband or other access to the Internet in the classroom, I regard this as a great Government initiative. It will boost learning opportunities and ultimately make a major contribution to the competitiveness of the future workforce.

Senator Denis Landy: I support the Government in the devolution of powers to local government. However, I was surprised to hear in recent days of a proposal to centralise the provision of driving licences into a single national unit. I ask the Leader to clarify if there is any substance to this. I was informed by IMPACT members who seemed to have considerable information on the issue. It is a retrograde step when on the one hand we are proposing to devolve powers to local government and enhance the role of local authority members, and on the other hand we are chipping away at the powers and role they already have.

Senator Maurice Cummins: I assure the Leader of the Opposition that the referendum on the fiscal compact treaty will deal with the treaty and the treaty alone. I assure Senator O'Brien that no extraneous positions will come into it from the Government side.

Senator Darragh O'Brien: Good.

Senator Maurice Cummins: I was unaware of the comments of the Church of Ireland Archbishop of Dublin. I have not read them but I assure the House that there is no threat to minority faith schools from the Government. The issue will be dealt with by the Minister for Education and Skills in early course when he announces his policy on the patronage of schools. The matter can be addressed at that stage. As the House is aware, the Minister for Education and Skills has been in the House on several occasions to deal with legislation. I have agreed with the Minister that he will come in on 19 April and we can hold a debate on a wide range of issues in education which Members have asked for in the House in recent months.

Senator Bacik commented on Syria. What we are witnessing on our television screens from Syria is absolutely appalling. Ireland has been working intensively with the EU, the UN, the Arab League and other partners in the international community through a series of robust economic, political and diplomatic measures to compel the Syrian regime to cease its appalling and unacceptable attacks on the Syrian people. These attempts will continue. Everyone is appalled at what we see occurring in Syria at present.

Senator Crown raised the issue of the proposed national children's hospital. I wish to restate that the Government is totally committed to the national children's hospital. The review is under way. Let us wait for the review to finish. I reaffirm the Government's commitment to the national children's hospital to be delivered in the earliest possible time, something every Member seeks.

Senators D'Arcy and Conway and others commented on the referendum. Senator D'Arcy put forward his view that the referendum should be held in May and I am sure he will relay this to the Government. The Government has not decided on a date as of yet. Senators O'Donovan and Burke raised the matter of the Ian Bailey case. We all agree that many issues remain to be addressed as a result of the case and I am sure the Minister, Deputy Shatter, will address these in early course.

Senator Whelan raised the problem of credit for small businesses. We all agree with him that there is a need for more credit for small businesses and for the banks to lend to small businesses. He will have an ideal opportunity to put the case to the Minister, Deputy Bruton, and to ask him questions in this regard when we debate the issue immediately after the Order of Business. I am sure there will be a robust debate and questions.

Senator Norris proposed an amendment to the Order of Business suggesting that we should discuss No. 1. That motion will be dealt with by the Joint Committee on Justice, Defence and Equality and it will return to the House for discussion after the committee has considered it. With this in mind, I do not accept the amendment to the Order of Business.

Senators Keane and Coghlan and others raised the issue of the promissory notes. The Government has identified the promissory notes arrangement put in place by the previous Government as an expensive arrangement for the taxpayer. It is in negotiations with the troika to find a cheaper and alternative arrangement. The Minister for Finance, Deputy Noonan, is closest to the negotiations. He stated last week that we are making progress but it is a medium-term process. We have set out our negotiating position and are currently working through the technicalities with the troika. We all know that these type of negotiations cannot be acted upon speedily. It takes time to negotiate such measures.

Senator Cullinane referred to using the Irish language. Tomorrow is the beginning of Seachtain na Gaeilge and I am sure we will encourage its use. As I mentioned last week, we are not having a day of Irish *per se* in the House, but we would encourage people who can speak the language to do so at every possible opportunity, including tomorrow in particular.

Senator Jim Walsh: Could we have tomorrow morning's Order of Business in Irish?

Senator Maurice Cummins: I think I have replied to that.

Senator Burke referred to medical cards. I am surprised to hear from him that only two Senators from the Joint Committee on Health and Children turned up in Finglas to find out what was happening about medical cards. I would have thought we would have had a hell of a lot more, especially with the amount of people who have raised that question on the Order of Business. I recognise the great volume of applications that have gone in but there are still 31,000 applicants outstanding and these concerns need to be taken on board. I understand from Senator Landy that the primary care reimbursement service people are coming in to us soon, so we look forward to having an early update on medical cards then.

Senator White moved an amendment to the Order of Business. This is a technical amendment to allow her Bill to be printed and I will certainly accept it.

I do not intend to get bogged down on turf cutting issues, but I would like to point out to Senators Kenny, Leyden and Mullins that only 53 raised bogs are affected out of 1,400. On foot of the EU directive we will face massive fines unless this matter is dealt with. Families have been offered monetary compensation, including free turf and alternative plots as a solution. I commend the Minister, Deputy Deenihan, in this regard and we wish him well in his efforts to resolve the matter.

Senator Quinn referred to the Fines Act and I fully agree with him. I understand that there is a problem with the IT systems to enable cross-referencing between both jurisdictions. However, the Minister has indicated that he is fully committed to implementing the legislation in this regard. That should be done as soon as possible.

Senator Mullins outlined the positive happenings in Galway in recent weeks. He is attempting to harness the voluntary efforts of those who are retiring from the public service, which is certainly worth considering.

I am not accepting Senator Norris's amendment to the Order of Business. As I have outlined, the matter will be discussed by the Committee on Justice, Defence and Equality, and it can come back to us at a later stage.

Senator Reilly sought a debate on emigration and I will try to arrange that. There is no doubt that the vast majority of people who are currently emigrating are doing so to seek employment and a better life for themselves and their families. I will try to arrange for such a debate later in the year.

Senator Brennan, ag caint as Gaeilge, congratulated the golfer Rory McIlroy on becoming the world's number one. I am sure we would all join in those congratulations.

Senator Walsh spoke about wastage in the public service. He also discussed the salaries paid to those in NGOs in the charity and human rights sectors. Those salaries certainly seem very high indeed. While this matter is not within the remit of the Minister in question, I am sure it can be raised with him.

We would all welcome the fact, as Senator Moran stated, that high-speed broadband is to be rolled out in 650 secondary schools by 2014. This is of paramount importance for teachers, pupils and the general development of our educational sector.

Senator Landy spoke about centralising the driving licence authority. I am not aware of the situation but I will try to clarify it for him.

An Cathaoirleach: Senator Mary White has moved amendment No. 1 to the Order of Business, "That No. 11 be taken before No. 1". The Leader has indicated that he will accept the amendment, is that so?

Senator Maurice Cummins: I accept the amendment.

An Cathaoirleach: Is amendment No. 1 agreed to? Agreed.

Senator Norris has moved amendment No. 2 to the Order of Business, “That time be allocated to debate item No. 1 today”. Is the amendment being pressed?

Senator David Norris: Yes.

Amendment put.

The Seanad divided: Tá, 5; Níl, 31.

Tá

Barrett, Sean D.
Crown, John.
Cullinane, David.

Norris, David.
Reilly, Kathryn.

Níl

Bacik, Ivana.
Bradford, Paul.
Brennan, Terry.
Burke, Colm.
Clune, Deirdre.
Coghlan, Paul.
Comiskey, Michael.
Conway, Martin.
Cummins, Maurice.
D’Arcy, Jim.
D’Arcy, Michael.
Gilroy, John.
Harte, Jimmy.
Hayden, Aideen.
Heffernan, James.
Henry, Imelda.

Higgins, Lorraine.
Keane, Cáit.
Kelly, John.
Landy, Denis.
Moloney, Marie.
Moran, Mary.
Mulcahy, Tony.
Mullins, Michael.
Noone, Catherine.
O’Keeffe, Susan.
O’Neill, Pat.
Quinn, Feargal.
Sheahan, Tom.
van Turnhout, Jillian.
Whelan, John.

Tellers: Tá, Senators David Norris and Kathryn Reilly; Níl, Senators Paul Coghlan and Susan O’Keeffe.

Amendment declared lost.

Employment Equality (Amendment) (No. 2) Bill 2012: First Stage

Senator Mary M. White: I move:

That leave be granted to introduce a Bill entitled an Act to make further provision for the promotion of equality between employed persons by prohibiting the compulsory retirement of persons at the age of 65 years of age except in limited circumstances.

Question put and agreed to.

An Cathaoirleach: When is it proposed to take Second Stage?

Senator Mary M. White: On Tuesday, 13 March 2012.

An Cathaoirleach: Is that agreed? Agreed.

Referral to Joint Committee: Motion

Senator Maurice Cummins: I move:

That the proposal that Seanad Éireann approves:

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

(i) Proposal for a Regulation of the European Parliament and of the Council establishing, for the period 2014 to 2020, the Justice Programme, a copy of which was laid before Seanad Éireann on 21st December, 2011;

(ii) Proposal for a Regulation of the European Parliament and of the Council establishing the Asylum and Migration Fund, a copy of which was laid before Seanad on 12th December, 2011;

(iii) Proposal for a Regulation of the European Parliament and of the Council laying down general provisions on the Asylum and Migration Fund and on the instrument for financial support for police cooperation, venting and combating crime, and crisis management, a copy of which was laid before Seanad Éireann on 12th December, 2011;

(iv) Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management, a copy of which was laid before Seanad on 21st December, 2011; and

(v) insofar as the measure relates to the operational management of EURODAC, established by Council Regulation (EC) No. 2725/2000, EU Regulation No. 1077/2011 of the European Parliament and of the Council establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice, a copy of which was laid before Seanad Éireann on 11th January, 2012; and

(b) the exercise by the State of the option or discretion, provided by Article 4 of Protocol No. 19 on the Schengen *Acquis* integrated into the Framework of the European Union annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, to request a decision of the Council of the European Union that the State shall take part in the following measure to the extent that it relates to the operational management of the Visa Information System (VIS), the establishment, operation and use of which are governed by Decision 2004/512/EC, Regulation (EC) No.767/2008 and Decision 2008/633/JHA, and the parts of the second generation Schengen Information System (SIS II) governed by Regulation (EC) No. 1987/2006 in which Ireland does not participate: Regulation (EU) No. 1077/2011 of the European Parliament and of the Council establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice, a copy of which was laid before Seanad Éireann on 11th January, 2012,

be referred to the Joint Committee on Justice, Defence and Equality, in accordance with Standing Order 70A(3), which, not later than 13th March, 2012, shall send a message to the

[Senator Maurice Cummins.]

Seanad in the manner prescribed in Standing Order 73, and Standing Order 75(2) shall accordingly apply.”

Question put and agreed to.

Action Plan for Jobs 2012: Statements, Questions and Answers

An Cathaoirleach: I welcome the Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, to the House.

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): At the outset I would like to thank Senators who made submissions when we were putting together the Action Plan for Jobs 2012. They will see that some of the suggestions put forward by Senators are reflected in the action plan and others are still under consideration. I reiterate that this is an annual process. It is not a case of producing our best thoughts and then retiring from the struggle. This will be a year in, year out process. We will be generating an action plan for jobs with specific measures we will take during the course of the coming year.

I do not need to tell any Senator the reason we have decided to put jobs at the core of the Government strategy. In the past three years we have lost 350,000 jobs, almost 15% of our workforce, and almost 80% of those are people under the age of 30. We are losing the sort of people we look to to build the strength of our economy in the future. That is a compelling case in terms of the reason Government should put this plan at the core of what we are about.

This plan is ambitious but it is realistically ambitious. It has set a target of 100,000 net new jobs — more people at work — by 2016 and a further 100,000 by 2020. It has also set the ambition the Taoiseach has repeatedly emphasised that we seek to have Ireland become the best small country in which to do business by 2016. There are other ambitions set out in the plan which those Members who want to go through programme can read. They are important statements of intent and are about what the Government is demanding. That puts a huge focus not just on one Department such as the Department of Jobs, Enterprise and Employment but on the entirety of Government in that they all have a role to play. If Members ask me what is different about this action plan from what we have seen previously, the most important difference is that every one of the 15 Departments have contributed to this plan. A total of 36 agencies, not just from my Department but from agencies across the spectrum, have contributed.

In terms of what is also different about this plan, those Members who studied public service reform over the years and seen the production of glossy reports on the health strategy, the climate change strategy, the decentralisation strategy or many of the other myriad strategies that did not lack ambition will know that some of them were right while others were a bit misguided depending on one's opinion but they fell down on implementation. What is different about this plan is that it does not offer a big bang solution. It has ambitions but it does not pretend to be the magic formula. Instead, it is a workmanlike document about what we can do now that over the next 12 months will make it better for employers to take on people and make it easier for people to get off the dole.

The big change is that there is an absolute emphasis on implementation. Every one of the 270 measures has a quarter within which they are to be delivered during 2012, either in quarters one, two, three or four. From the Taoiseach's Department, with both my Department and that of the Minister for Public Expenditure and Reform, Deputy Howlin, making an input, there is a monitoring system where each Department, agency and Minister will be held accountable to deliver on time. That is a big change in the way we approach planning and delivery within the

public service. It puts accountability at the heart of the process and is an important change, quite apart from what is in the document. It is a whole of Government approach and it will be delivered consistently and next year we will seek to introduce new measures that will match our ambitions. It is important that Senators see it that way to ensure that if they have ideas that will create opportunity, and there are people here from all walks of life who have experience, we want to hear about them, stress test them and see if we can implement them over the course of 2013 if they are not included in 2012.

In critiquing this action plan many people will say the core issue in the economy is demand. There is a validity in that. There is no doubt that we have a constrained public sector because we must reduce our borrowing and consumers are equally constrained by borrowing commitments that are bearing down on them, not to mention the economies they are being forced to make by decisions coming their way. We do not have the option of abandoning the borrowing targets we have agreed with the IMF and deciding to introduce an additional stimulus package. What we have to do is to box smarter with the resources we have, and that is the emphasis in this plan. We do not have the option of a big free-rolling Keynesian plan, about which we economists often talk, but we have the option to be smarter in the way we spend money, and that is important. For example, in terms of the strategic investment fund or NewERA, we are seeking to take amounts of money we have in the National Pensions Reserve Fund and, to use the financial phrase, to leverage up that money. In other words, for the €250 million we have put into the strategic investment fund from our resources, we are getting a matching €750 million from pension and insurance fund managers to match the money that the State is putting in. Suddenly starting from funds of €0.25 billion, we have €1 billion of funds available to invest in infrastructures, once they wash their face, as it were. The issue now is to find investments that can show a commercial return and that can draw down this money we have created in terms of a fund.

In the same way we seek in many other ways to leverage with small resources much bigger amounts. For example, the partial loan guarantee scheme, for relatively small money from the State, in terms of exposing ourselves to some risk in the bank books, can leverage a good deal off lending to small business. In the same way, with the micro finance scheme, with relatively small amounts of money, we can match that equity by additional funds that we can borrow. The banks will feel secure in lending to a microfinance fund when it has a good equity base. Much of what we are doing is seeking to leverage financially but also to leverage through smarter use of the resources we have.

For example, the idea that we will pull local authorities into the task of driving enterprise development in their localities is an issue, which I know from travelling around the country, that is generating some controversy. That is an explicit decision. We are now determined that we will offer small business a high quality service. The traditional way was county enterprise boards dealt with the small business, Enterprise Ireland was in another space and there was a breach in the ladder between people who were supported by county enterprise boards and the next step of getting access to Enterprise Ireland. Many people would also express the view that there was also a sense that the local authorities were not sufficiently engaged in making it easy to set up business, keeping down the cost of rates and services and making the regulatory system easy. We seek now to bring all those pieces together. A local enterprise office will be located within and supported by the local authorities, bringing together the business units of local authorities, seeking to make it easier to establish in that area but also having seamless access to Enterprise Ireland as a centre of excellence. Enterprise Ireland will be developing the policy tools that can be applied at local level. We believe that this is a win-win scenario. Admittedly, it is challenging in its implementation and many people would say “our local authority is up for this”. I believe they are. Senators know more than most the commitment of

[Deputy Richard Bruton.]

local councillors and local authorities, but we have to engage people. We cannot afford to have local authorities being seen as part of the problem, they have to be seen as part of the solution.

Other ways in which we seek to leverage new thinking is that for the first time Enterprise Ireland will invite players in niche areas of industry to form a cluster, which will then develop and provide support, with State resources, to drive that cluster to do new things. Our system has been criticised for having strong agencies but relatively weak companies. This is a chance for companies in niche areas to say “let us do something different, let us seek to shape the way in which our niche can develop and let us come up with ideas”. This is an opportunity to do that. There will be an invitation from Enterprise Ireland for players in niche areas to come forward with their ideas.

An important element of what we are trying to do is to ensure that with money scarce we box smarter. We need to get more people and communities involved. With Senator Quinn present, it would remiss of me not to say that one of the elements of this plan is to examine how Chambers of Commerce and local authorities but also local communities can become more involved. Senator Quinn was very prominent in the local heroes initiative in Drogheda and several other towns.

Senator David Norris: The Taoiseach wants to abolish jobs in here.

Deputy Richard Bruton: The Senator has not lost his sparkle over the years. I will not seek to debate that issue for fear that the Acting Chairman——

Acting Chairman (Senator Paschal Mooney): I am very encouraged by the Minister’s remarks.

Deputy Richard Bruton: We all need to think of what we, as a community, can do to promote employment. The local heroes initiative was very interesting because it involved fairly simple things, such as using technology to advertise local services more effectively. It brought more people into the town who picked local things to do and generated activity. A lot of our current challenge also involves giving people the confidence to invest.

People have said it is all very well for foreign companies to invest in Ireland but we need demand locally. That is true, but it is equally true that for every job created by foreign companies at least one other is created by the demand that generates, such as in restaurants, bars, shops, hotels and so on. Demand flows from international investment. The sense of international confidence that is returning, as seen from the IDA results, is having a local fillip. Investment in a town like Dundalk has a major impact on the area.

The core of this strategy is built around enterprise. When the economy was going well we were good at seeing a balanced expansion of enterprise and public service growth because we had strong enterprises which exported. We were nimble and quick to adapt to changing trends. One of the disasters that befell this country was not just the impact of the housing crisis on banks, but also the six years of declining market share in our export markets. We saw the core of a small open economy being eroded by excessive growth in the building and banking sectors.

We have to create a strong indigenous engine of growth based on the capacity to export. A lot of what we seek to do for indigenous business is to make it easier to start up enterprises, which is vital, and for companies to grow to scale. There are numerous initiatives to make it easier to start up companies. From visiting different places around the country, I found it surprising that a lot of people do not know about established concessions.

For example, they do not know that if one sets up a business for the first time one can claim back the last six years of one's income tax to create a shareholding in a new company, which is a very valuable concession. Some 12,000 new businesses were set up in Ireland last year but only 63 chose a concession that is generally available. A few sectors are excluded, such as hotels, catering, horticulture and some agricultural areas, but by and large it is broad-based. However, there has not been a large take-up of the scheme.

Some 1,000 people a month set up businesses and we have to make sure they succeed and do not stumble on the valley of death during the initial difficult years. We need to build a better support network at local level, have a stronger mentoring service and better microfinance, which we are developing. We need to ensure those with high potential can migrate into the Enterprise Ireland programmes which offer opportunities to develop.

We are also seeking to raise the ambition of a lot of local companies. One of the important initiatives in that regard concerns exporting. We are setting up a first-time exporter division within Enterprise Ireland to target approximately 1,800 companies that we believe have the potential to export but which have not put their toes in the water. It is important that, with demand constrained domestically, we chase the opportunities for new demand elsewhere. This is a very practical way of supporting companies that have the capacity to enter export markets. It is supplemented by the Minister for Finance's concession in the Finance Bill to allow people obtain tax relief if they put people in the BRIC countries, in addition to South Africa. If one is willing to put feet on the ground in those countries, which one must do to be successful, there is now a tax concession.

We are expanding management training and introducing new forms of management training to seek to lift the horizons of companies. A development capital fund is another innovation in the programme. It is targeted specifically at growth companies, not at the very vigorous ones that avail of venture capital, which we are also funding, but at companies that are more established and which are often forced to sell out in order to reach the next level of growth. To lose control within Ireland represents an awful loss. We are, therefore, establishing a development capital fund, again under Enterprise Ireland, to target those companies which, with access to the equity, can continue to drive their growth from within Ireland.

We need to recognise that the presence of multinationals presents an enormous opportunity. In many ways, what sets Ireland apart is the presence of really strong multinationals. We need to think more strategically about how we use that strength. We need to see multinationals clustered more strongly not only with their existing supply chains, but with indigenous businesses which are coming through with new ideas. The medical devices sector comprises a wonderful example in this regard. It is predominantly based in the west, where strong multinationals have bred equally vibrant indigenous companies that are developing new ideas that can be applied and developed within the cluster. It is a really great example and we need to build more such clusters. The action plan seeks to identify the sectors where Ireland can stake out a future and build successful clusters. Some sectors are well known, such as financial services, tourism, ICT, medical devices and life sciences. Other sectors, such as clean technology and digital gaming, present new opportunities in respect of which we believe we have the basic ingredients to succeed.

Another exciting initiative involves making Ireland a destination in which companies can establish. One striking point about places such as Silicon Valley is that many of the companies that establish there are not US companies. People go to Silicon Valley because of the environment it offers, including access to venture capital and the buzz associated with the setting up of new businesses. We have that sort of buzz in many sectors. We have the venture capital

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and the good taxation environment, and we also have the flexibility and a quality workforce. Increasingly, we have start-up companies.

Mr. Dylan Collins, who set up the digital gaming company Havok and other companies, is a business ambassador and serial entrepreneur. We need to see people like him piloting projects and promoting Ireland as a place in which to set up a business. We are seeking to box a little more smartly. Instead of relying on Enterprise Ireland, the body that now promotes Ireland as a start-up location, we are bringing the IDA in on the scheme. We are using the much broader international office presence of the IDA to promote Ireland as a start-up location.

I do not want to spend too much time talking about this as this opportunity is more about hearing the views of the Senators. The last area worth mentioning, however, is the one that people think of most of all. We need to rebuild our competitiveness. To be fair, it has improved in the past few years. Some would say this is attributable to the recession itself but unit costs in Ireland have improved by approximately 20% relative to those of our competitors in the eurozone. This is a very significant change. Unit costs in Ireland have improved by about 20% relative to our competitors within the eurozone. That is a very significant change and it is the reason one sees Ireland back on the radar for many investors. Not only do we have a good environment, but we have also become more competitive.

However, we cannot afford to rest on our laurels in that area. We must look at how we can become more effective in many different ways. The skills area is important. One of the casualties of the boom, aside from banking, the mortgages legacy and so forth, was the choices young people made about their careers. At the beginning of the last decade, almost 10% of people were picking technology as their career, but by 2008 that had dropped to 3.5%. That is a huge handicap as we now seek to rebuild an enterprise driven economy focused on exports. That is the reason there are scarcities in certain skills, and we must address that both in the short and long term. Recently, the Minister for Education and Skills, Deputy Ruairí Quinn, has created opportunities for people who have completed other courses to switch into technology through the springboard courses. We need to do a great deal more of that.

We must also look at the critical mass we have built in science and research capability, which is now very strong. For the amount of money we are spending relative to other countries, we have done much better in terms of patents, citations and whatever else academics use to determine the measure of success. The challenge now is to go from being successful academically and to sweat that resource for economic outcomes. The research prioritisation exercise undertaken by the group chaired by Jim O'Hara, formerly of Intel, has sought to stake out the areas and sectors where Ireland has an opportunity to be a leader and to have the critical mass whereby we can create ideas that can be made commercial. People talk about the importance of research. When I was in the United States recently, a man said something very original, although it might not be to the Members. He said research is about the process of transforming money into ideas, but innovation is the taking of ideas and turning them into money and jobs. We need the innovation part. We have the research part and the challenge is to convert that into a higher flow of innovation. That is a huge element of competitiveness which we can build.

Competitiveness stretches to many areas, which is why we have enlisted 15 Departments. It stretches to regulatory burdens that are often inadvertently created by processes that grew like Topsy. We must focus on whether these regulatory burdens are necessary and whether they can be done more smartly and better. My Department is examining the employment rights and industrial relations system. It grew like Topsy. There were 30 different forms on which people could make complaints until we started to address the matter. There are five different bodies involved in this area. We believe we can craft a much simpler process that is better for workers seeking their rights, better for employers in terms of certainty, better for compliance and more

effective all round. There are opportunities to do this in the public service and help businesses in critical areas. This process is about identifying and seeking to seize those opportunities.

Again, I thank the Senators. This is an opportunity to hear Members' reaction and, from my point of view, to learn for next year. It took a great deal of effort to produce this plan. I am not accompanied by any civil servants but I thank them, in their absence, and many other people for the long hours that were put into the plan, even over the Christmas period. However, we need to build something better. This is an important piece of work but it is not the end. It is only the start. We need to build on it and to draw on the experience in this Chamber and in the many chambers outside the Oireachtas to help us in what can only be seen as the most compelling challenge our society faces for the foreseeable future.

Senator Mary M. White: I welcome the Minister. I congratulate him on coming to the House alone. It is rare that a Minister comes here by himself. In my experience, the Minister is a most well intentioned and idealistic Minister with responsibility for enterprise. The Minister knows that the lack of credit is an emergency situation. It is the elephant in the room but we must address it.

In his speech at the weekend, Deputy Micheál Martin said that legislation may be required if the banks do not give out credit. I am an admirer of the Minister so I am not being personal in my remarks but he must listen more to businesses than to the banks. The two main banks are supposed to be giving out €3 billion a year each but they are not doing so. The situation is in crisis. At a conference last Friday in the Central Bank to issue a report on the subject of credit availability to small and medium companies, the Governor, Patrick Honohan, said that small and medium-sized businesses are facing a dual challenge in terms of funding. For example, the personal wealth of families is being depleted and they cannot put money into businesses.

It is much more difficult to start a business today than when Connie, Judy and I did so in the 1980s. We were given £5,000 from the Bank of Ireland in Dundrum to research our project on chocolate-making. It is much more difficult now because the money is not there. There is no doubt that small and medium-sized Irish companies are the generators of new jobs in our economy. The report stated that foreign direct investment companies are more productive but that is because they are more capital intensive while our indigenous industries are more labour intensive. The Governor of the Central Bank also told the conference that credit conditions for Irish small and medium enterprises are worse than for their European counterparts. A total of three quarters of Irish firms say they must pay higher interest rates compared with 62% in the euro area. It is also more difficult to obtain larger loans in Ireland and collateral requirements are also higher.

The Minister is an economist and will be familiar with the February edition of the Department of Finance monthly economic bulletin. The chart in the bulletin can only be described as brutal because it shows a consistent decrease in credit availability to the private sector. The bulletin states that the annual rate of growth in private sector credit advanced to Irish citizens was minus 3.8% in December, accelerating from a 1.9% decrease in November 2011. I am sympathetic to the Minister's position. The banks are holding on to money for their reserves and they are not giving it out. I know there is no magic bullet but something must be done otherwise employment will not be created nor will companies be able to continue in business.

I refer to the Minister's document but, in my view, it was a bit too lengthy. Albert Reynolds relied on a one-page solution to problems. The temporary partial loan guarantee scheme and the micro-finance loan scheme have been announced but these much-needed major initiatives will not be up and running until the second quarter of this year at the earliest. I do not understand why they are not available and why the money from these two schemes has not been

[Senator Mary M. White.]

provided. I ask for the Minister's comments in this regard. The only aspect of the action plan for jobs which interests me is the availability of credit. I am disappointed with the situation regarding the county enterprise boards. Has there been an increase in funding? The enterprise boards should have been transferred to Enterprise Ireland under Mr. Frank Ryan. I have personal experience of dealing with him when he worked with Mr. Padraic White in the 1980s. When he worked in the United States he would go through steel to get a project.

I disagreed with my colleague, Deputy John McGuinness, at our seminar on jobs. I did not believe that the situation in enterprise boards was so bad. I ask the Minister to explain the reason they were put under the control of the local authorities.

I believe the Government has a higher regard for foreign direct investment than the then Fianna Fáil Party when in government. I remember during the years of the Celtic tiger there was very little appreciation for multinational investment coming into the country. The then government was blinded by the tax yield from the property bubble. It does my heart good that Mr. Barry O'Leary and Mr. Frank Ryan are getting such support from the Minister. Where would we be without the multinationals? They were not appreciated by the last government. I was in the Seanad and know what was said and what was ignored. The regional transfer of PayPal to County Louth is a perfect example of a dramatic job announcement.

I know the Minister has his heart in the right place but he must put the screws on the banks. Do we need to bring in legislation to ensure they provide funding for business? That is the bottom line.

Senator Deirdre Clune: I thank the Minister for his brief outline of what he can do because there are 270 elements to the Action Plan for Jobs 2012, which is very welcome. The most important element of the plan is the tracking mechanism for the end of quarter results. We will be able to judge the performance in each quarter and the Minister will report on how the recommendations have been implemented. This is difference, which is very welcome.

I too wish to comment on the credit lines offered by banks to small and medium enterprises. I too read a report of the conference organised by the Central Bank, which was reported in Saturday's newspapers. The Central Bank Governor, Professor Patrick Honohan, had outlined the serious lack of credit for small businesses and said that the lack of bank credit is likely to be a more serious drag on our recovery than it might otherwise be. He also pointed out that it is having an effect on competitiveness and this is borne out by how Irish small and medium sized businesses are competing *vis-à-vis* their European counterparts.

This issue keeps coming up, it was also included in Mr. John Trethowan's report. The Minister of State at the Department of Jobs, Enterprise and Innovation, Deputy John Perry was in the Seanad recently and he is meeting individuals from the business community around the country to discuss issues with them. The Minister was in Cork last weekend to meet groups from the business community who raised the issue of funding for small and medium enterprises and the way the banks are behaving to businesses that have a long track record and would be viable. I accept that not every business can be viable in these straitened times but some businesses are going to the wall and having to lay off staff because they are not getting even low levels of support from the banks. This remains a critical issue.

The headline figure of 100,000 jobs to be created by the Action Plan for Jobs 2012 is broken down in the report, which outlines where those jobs can be targeted. The Minister mentioned the one-for-one job where each job created by the IDA or Enterprise Ireland leads to the creation of a job in the local economy. We see evidence of that across the country. I see it in my own area when I look at the number of pharmaceutical companies, with eight of the top ten pharmaceutical companies in the world located in and around the Cork area. Pfizer in

Ringaskiddy has generated a great amount of employment in the nearby town of Carrigaline. A myriad of supporting services surround that one industry such as crèches, food, clothing and recruitment. One can really see one-for-one job creation reflected in the local community. The recent announcement that PayPal will create jobs in Dundalk has also had a huge impact. Last week, Eli Lilly announced it would create 200 new jobs in Cork, which is a statement of its confidence in the economy and willingness to re-invest to raise its activities to another level. Such confidence is reflected throughout the country.

We do not step back often enough to acknowledge the work of IDA Ireland. Last year, it created more jobs than were lost. Some people may criticise that and say we are at a standstill but that is a noteworthy figure when one considers the economic global climate. Recently, Enterprise Ireland appeared before the Oireachtas Joint Committee on Jobs, Social Protection and Education to outline its work. The jobs plan contains an initiative for IDA Ireland and Enterprise Ireland to work together, particularly focusing on SMEs. They will ensure SMEs can piggy-back on foreign direct investment by providing such services as facilitating and mentoring them when procuring contracts from foreign companies investing here. The synergy between the two bodies is important and I am glad the plan states that we will establish a tangible committee for them to work together.

The proposal to abolish county enterprise boards and develop local enterprise offices, LEOs, in local authorities is a welcome and positive step and one that will benefit local authorities and enterprises. Small businesses will have a “one-stop-shop” to go to for information on regulatory matters. Enterprise Ireland will feed into the LEOs so people can benefit from its expertise. That type of connection was not previously provided by the county enterprise boards and is a welcome move. We are not going to lose expertise; rather, small micro-enterprises will be able tap into Enterprise Ireland and its expertise and extensive knowledge of the sector.

Unfortunately my time is up but perhaps I can return to the subject again during the questions and answer session. I compliment the Minister on the plan and on recognising the contribution that small and medium enterprises make to our communities. If SMEs can be facilitated to create one extra job, we will go a long way to bridging the enormous gap between employment and unemployment. I welcome the initiative.

Regarding research and prioritisation, one hears a lot of criticism about funding for research. People question whether money has been spent wisely and if the taxpayer got value for money. Last week, Jim O'Hara launched the report of the research prioritisation steering group which identified 14 areas for investment. The Government, under the chairmanship of the Minister of State, Deputy Sherlock, will ensure the funding is spent as intended. We now have certainty about the sector because we can see how valuable the 14 areas will be to the local economy. I thank the Acting Chairman for the time granted and look forward to contributing again.

Senator Katherine Zappone: I welcome the Minister to the House and thank him for attending. I also thank the Leader for holding a debate on our ideas for job creation in January so our views could feed into such an important public policy document as the action plan. I also thank the Minister for incorporating a section on social enterprise and social entrepreneurship in the action plan and I will speak a little on it. I am an advocate for social enterprise and social entrepreneurship, and will continue to champion it as an integral dimension of the Government's plan to create jobs. I will be zealous about it, not unlike the Minister and the way he presented his plan to us this afternoon. The plan is impressive, particularly its focus on implementation, the whole of Government approach and all of the different Departments involved. As he said, implementation of the plan will be difficult. It will be a complex journey but it have given us a lot of hope.

[Senator Katherine Zappone.]

The Government has also made an explicit commitment to evidence-based and proven models for the development of public policy. It wants to create the best environment for creating jobs and, as I said, the action plan gives us a dynamic framework. This afternoon the Minister demonstrated an eloquence when describing the framework's dynamics. When developing and implementing the framework I urge him to be attentive to the evidence that has emerged on social innovation and social enterprise. Over the past 20 years it has emerged as a business model.

Earlier the Minister spoke about innovation. I shall focus on social innovation and define it as comprising new strategies, ideas, concepts and organisations that meet social needs and contribute to economic growth or, using his phrase, turn them into money. Social innovation leads to job creation. Social innovators create employment and solve social and environmental problems. It is also a key component for the reform of public services and provides initiatives and approaches that deliver higher quality public services with fewer cash resources.

The action plan contains a definition of social enterprise so we know that it is businesses or organisations set up to tackle social, economic or environmental issues. They engage in trading or commercial activities to pursue such objectives. They are not profit driven but produce excess income that is often used to further their social mission. The estimated annual revenue generated by the social enterprise sector in Ireland stands at €240 million, its annual spend in the economy is over €230 million, 9,300 people are directly employed in it and 5,100 people are indirectly employed. Many of my colleagues know or are aware of Social Entrepreneurs Ireland because it briefed us leading up to our debate on jobs. It has supported 150 social entrepreneurs and each one of them creates an average of 23 new job opportunities.

I will focus on one example of a proven model of social entrepreneurship that is ready to scale. Fledglings Early Years Education was set up in 2008 as a small business unit within a larger community organisation named An Cosán. I am a co-founder so I know the business from the inside. It is located in west Tallaght. It is a not-for-profit social franchise that supports and mentors early years educators and helps them to set up affordable services. It is like Snap Printing, the printing franchise model, but this one establishes early years education and care centres. It has created 42 new jobs over the past couple of years in five centres. It has been approached by five interested parties to replicate its model throughout Ireland with an average of nine jobs per centre. It is ready to go to scale. There is also a number of other examples of social innovation that will be demonstrated by social innovators invited to Ireland by Ashoka Ireland towards the end of March. They will share their ideas and we should be ready to listen.

The Minister's plan acknowledged the strong social enterprise base here and I welcome that he will examine its role and that a report will be developed. Recent EU announcements present a prime opportunity for us to develop the role. The European Union has recognised the significance of the social innovation sector with entrepreneurship identified by the European Commission as one of the 12 levers that will boost growth, strengthen confidence and revitalise the Single Market. Social business employs 11 million EU citizens, which is 6% of the total employment in the EU. Recently the European Commission recognised the growth potential of the model in its new social business initiative and I am happy that the initiative was noted in the action plan.

The Commission has proposed in the context of the initiative several measures under three key headings. The one I wish to emphasise is the measures to improve access to funding for social businesses. This includes developing a European regulatory framework for social investment funds and the setting up of a European financial instrument of €90 million to improve social businesses access to funding. That instrument can be effectively described as a fund of

funds. The EU will establish a fund that can be accessed by the institutions of regional or member states or organisations that are providing themselves funding support to social enterprise projects.

We need the State to express its full support for the already vibrant social enterprise sector in Ireland to maximise its potential. We also need the State to take a driving role so that Ireland can avail of these opportunities at EU level. The most effective way to achieve this would be to include social innovation as part of a ministerial portfolio, for instance, under the remit of the Minister of State with responsibility for research and innovation. It should come under the Department of Jobs, Enterprise and Innovation because it is a business not a charity model. Ireland needs to engage with European developments to maximise the support from Europe and take its place as a European leader that supports social enterprise and innovation. It is particularly significant at a time when we are debating Ireland's place within the EU and the Government's efforts to advocate a "Yes" vote for the upcoming referendum. Fiscal and social compacts should go together. The Government's leadership in developing the social enterprise sector would go a long way to making that visible to voters and citizens. I would look forward to and be pleased to work with the Minister's officials in advancing this sector's potential.

Senator Jimmy Harte: I welcome the Minister for Jobs, Enterprise and Innovation to the House. It is a coincidence that Donegal is currently hosting its enterprise and business week, an annual event organised by the Donegal County Enterprise Board. Donegal's local economy is typical of counties outside Dublin with a mix of tourism, agriculture and technology companies, all of which have the potential to be improved.

The agenda for Donegal's enterprise week refers to media and marketing, food, agriculture, tourism and developing the county's job strategy. Since coming into office, the Minister, along with the Minister for Social Protection, the Minister for Finance and the Minister for Education and Skills, has given the jobs initiative and forum his full attention. However, unless counties such as Donegal get a stimulus package and job creation up running again, there will be many closures of retail businesses and small and medium-sized enterprises. I have been involved in a small business over 25 years and I see the changes to the jobs profile in Letterkenny and Donegal. We must get the domestic market up and running again through stimulus packages.

The Government has already delivered Pathways to Work and other social supports to get people off the unemployment queues. There is nothing more frustrating for any community, such as Letterkenny, to see a dole queue in which many had decent jobs in the past. Their next choices will be either emigration or retraining. It is important to encourage people in such circumstances to get back into retraining. Unless we achieve this soon, the flood of emigration will continue.

I had heard of Saskatchewan before, knowing it only as a mid-west Canadian province consisting of large tracts of land and cowboys. I never thought it would come to Ireland's rescue by offering us employment. It is surprising that a province such as Saskatchewan can provide employment. This country is recognised as having skills from medical to pharmaceutical to academic to the extent that we can surpass even countries such as Canada and its province of Saskatchewan. Portugal and Greece do not have our profile or skills. They did not invest money in the education or skills system as we did.

Senator Mary M. White: I apologise for my telephone ringing. I cannot find it.

Senator Jimmy Harte: That is okay. I welcome any action taken to provide jobs. In the first 12 months the Government has provided much support and innovation that will be helpful in the future.

[Senator Jimmy Harte.]

The Border counties are a special case because of the current gap with sterling. The exchange rate can move up and down by the day or week. Many businesses in Border areas are sensitive to fluctuations in sterling. Lifford is practically dead on its feet because there is an Aldi store in Strabane. Businesses in Letterkenny are waiting for sterling to get stronger around Christmas time, which is not a good way to run an economy or a business. Perhaps the Minister has a view on how to address the issue. I accept we cannot control the currency market. In good times businesses find it difficult to survive in Border areas. I am aware of start-up businesses that have gone to banks and the first thing that is said is that while the plan may be good, it may be impacted by fluctuations in sterling. That is not something a business can control. Businesses have dealt with that previously but because credit is difficult to get, they are told by banks that sterling may make or break them. The issue does not affect businesses in Cork, Galway or Limerick. A special case could be made for Border counties when we formulate a jobs policy in the future.

Senator Sean D. Barrett: I welcome the Minister. It is not the first time we have had such a discussion. I recall meeting the Minister's brother when we were writing a better way to plan the nation's finances and I then served on the group that produced the Culliton report some time after that. The approach has been around for some time. I am delighted the Minister is doing this every year.

I encourage him to please be radical. I am sure he would have the support of the House for that because this is a problem which is deep-seated. The 300,000 plus unemployed to whom the Minister referred includes 23,000 gone from agriculture and 65,000 from industry, which peaked in 2007 at 299,000 and is down to 233,000. We all know that construction is down by 164,000. The retail trade is minus 42,000 and accommodation and food, due to the decline in tourism, is minus 24,000. This is the serious problem of an economy that just got totally uncompetitive.

I spoke in Enniskillen on Friday and I looked at some of the minutes of Fermanagh District Council. It had a contract for work on the airport in Enniskillen and it showed me how uncompetitive we are in this country. The winning tender for architectural services was £6,875 sterling. The average of five tenders from the Republic was £36,890. For structural engineering services, the winning tender in the North was £6,075 — the average of our 13 was £19,859. A mechanical and electrical engineering contract at the airport was £1,981. The two tenders from the Republic were £22,500 and £32,500. We have a serious competitiveness problem and we must address how we reached this point.

The reform of banking has been too slow. Mr. Elderfield attended a meeting of the finance committee. I believed that the new directors of the banks were to have been installed by 1 January. The banks brought us to the brink.

Regarding the failures in our system of public administration, there should never again be an incorporeal Cabinet meeting. There is no such provision in law. We must be prepared for when pressure is placed on the Government to accept offers of the type that did such serious damage to the country. It was probably the most successful rent-seeking or lobbying episode every accomplished.

We need a central office of project evaluation. *The Irish Times* published a list yesterday. Individual Departments being captured by client groups promoting their pet projects is not good enough. As the Minister correctly stated, it all adds up to a loss in economic competitiveness. The interest groups gain, as their pockets are filled, and the bureaucracy involved can expand, but that approach is bad for the rest of the country.

We need to consider reforming the permanent government. The Wright report found that, regrettably, only 7% of the senior staff of the Department of Finance had qualifications in economics. We need qualified people to undertake these serious tasks. We cannot let public administration off the hook in respect of, for example, the McLaughlin report, which found seriously excessive managerial costs in local government. Charging for septic tanks, waste disposal and water is one part of the equation, but the other is considering the report's findings. The Minister for the Environment, Community and Local Government, Deputy Hogan, and the Minister of State, Deputy O'Dowd, are interested in this matter but work is not progressing quickly enough.

Each Bill should be subject to a regulatory impact analysis, RIA, of whether it will add to the cost of doing business. Should we intervene to save property prices from falling or should we let them fall sooner rather than later, a question that also includes downward rent reviews? It would return the economy to competitiveness.

We have an agency problem. Dr. Chris Horn has pointed out that more than half of Enterprise Ireland's budget is spent internally. The percentage of the IDA's budget that is spent on its running is also increasing rapidly and the percentage that goes to firms is declining. These agencies must become more productive.

According to Mr. Damien Kiberd's estimates, we gave approximately €10 billion to firms that employed 50,000 fewer people in 2009 than they did ten years prior to that. It is not just a question of additional PR, as we must insist on value for money in the grant-awarding agencies. They should not be the focus. Instead, job creation should be the focus. In this regard, we have been failing for a variety of reasons.

I caution the Minister on tax lawyers and accountants. They abstract a vast amount of money from the country's tax base. Dr. Michael Collins estimates it amounts to approximately €12.8 billion. The Culliton report stated:

... the competitive edge of Irish industry has been blunted as effort and energy have been distracted from the proper emphasis on serving the market and achieving high productivity into maximising the grant or tax benefit. Tax avoidance and grant maximisation are the directly unproductive activities (or rent seeking in the economist's jargon) par excellence.

Acting Chairman (Senator Terry Leyden): The Senator has gone well over time.

Senator Sean D. Barrett: We should develop a focus on enterprise. The innovation report's penultimate recommendation was to develop some measure of return on the immense research and development effort that we are undertaking. There is none currently. Bord snip nua asked for it, but none has been provided. Science Foundation Ireland, SFI, must get involved with economists. It is not a kick-and-hope situation. That is what we did with the property sector. Read Mr. Simon Kelly's book. The property sector was selling to hotels tax breaks on office blocks while tourism declined by 31% during a four-year period. We must have a connection between the results and the inputs being devised by the Cabinet. Beware of the tax lawyers and accountants, as they are serving their clients rather than the unemployed.

Acting Chairman (Senator Terry Leyden): The Senator's time is up. I call Senator Reilly. I am sorry, but I am working under restrictions.

Senator Sean D. Barrett: I hope the Minister is as radical as possible and I look forward to supporting him in his annual visit to the House.

Senator Kathryn Reilly: I welcome the Minister. We have one of the highest rates of unemployment in the EU, which can be as high as 29% in the case of those who are under 25. The figures are even starker when we consider the extremely high rates of emigration prevalent in Irish society. The image of thousands of young people queuing up outside the RDS to get into the Working Abroad Expo is testimony to the unemployment crisis we are facing. The ESRI has stated that 40,000 people will emigrate this year, meaning that 12 people in each of the 3,440 electoral divisions in the State will emigrate, which is nearly an entire GAA team in thousands of communities. I paint a picture that stands in stark contrast. At a time when GAA clubs are struggling to field a team, 40 clubs have been established across London alone. These comprise 36 men's Gaelic football teams, 11 hurling teams, 11 ladies' Gaelic football teams and six camogie teams. That highlights the effects of emigration.

The recently announced jobs plan only mentioned young people once or twice. I know the Government cannot create jobs and can only create the conditions for them. However, not all young people will have the third level education or the high-level skills suitable for industries such as the pharmaceutical sector. We need to start assessing individually these young unemployed people to find how we can match their skills to jobs and get them into the labour market. Why is there not a specific action plan on tackling youth unemployment?

I recently met European Commission officials on foot of the initiative announced by the Commission President, José Manuel Barroso, to work with member states with high levels of youth unemployment and to put in place measures to tackle it. Unfortunately, I was not very encouraged from what I heard at that meeting. The Commission's big idea was essentially to reallocate unspent

Structural Funds to provide a stimulus for job creation, but we have already spent most of our Structural funds quota so it is pretty well useless for Ireland. What ideas have the Government brought to the table in this regard? What benefit will the meetings have? Apart from giving a positive appearance of a proactive attitude, what are we doing? What is the next step? The Minister stressed that previous reports and plans fell down on implementation. Where next in tackling youth unemployment?

Minister for Enterprise, Jobs and Innovation (Deputy Richard Bruton): Contributions have been quite wide ranging. Senator White focused on the banks and made a very valid case. The recent Mazars report, which was commissioned by the Department of Finance, sheds considerable light on the problems. Demand for credit from small businesses has reduced substantially, which is understandable given that many businesses are trying to reduce their exposure to debt. However, the report also finds a very high level of refusal overall at more than 30% and higher still for smaller businesses, which indicates a clear problem in this area. In addition to setting the €3.5 billion lending target for each of the pillar banks in 2012, the Government is seeking to become more forensic in how that target is set. The Senator is not right in saying the targets were not hit last year. They reached the targets, but it included much restructuring finance as well as new finance to small business. There is an effort this year to focus much—

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Senator Paschal Mooney: They switched overdrafts to term loans and called them new loans.

Deputy Richard Bruton: That is a problem. The Government is taking a range of initiatives. Clearly monitoring the banks' delivery on their targets is being done much more aggressively this year. There has been a series of meetings with the banks since the beginning of the year. Mr. John Moran, the senior official in the Department of Finance dealing with banking, is on the road show with the Minister of State, Deputy Perry, talking with the owners of small businesses and getting a much better understanding of their experience. To be fair, there are

two sides to this. Small businesses are often presenting their loan applications in a way that is not sufficiently well developed to get approval and there needs to be a better presentation. The banks are also failing to inform people of their rights to challenge a refusal, including going to the Credit Review Office. Even though relatively few loan applications are being referred on to the Credit Review Office, in more than half of the cases, the decision of the bank is reversed. We need to get a much firmer handle on this area.

To supplement the targets for the banks, as Senator White recognised, we are introducing specific schemes to deal with market failure, including micro finance, the partial loan guarantee, the development capital fund, etc. The Senator asked why it is taking considerable time to develop these proposals, which is because we are developing them from scratch. Given that the State is entering an agreement to guarantee loans issued by a bank — the public are pretty sick of providing guarantees to banks — we want to be very sure that where we provide a guarantee it is small business that benefits. We need to get the scheme well designed and will soon bring legislation to the House to get Senators' endorsement because we will not spend money without their endorsement. We first designed the scheme and then contracted for an operator who is now in place. The next step is to get banks familiar with this product. They will have skin in the game — we are not taking all the risk and they will share the risk. We believe that this will mean that projects that are now being refused will be accepted. However, the State is taking a measured and managed risk and it must be done right.

The same is true of micro finance, which is being developed from scratch as there has been no State micro finance initiative previously. We are close to having developed a workable model that we can bring forward for implementation. These matters need to be designed correctly because I would not like to return in three years to fact the scrutiny of Senator Barrett saying that this was throwing good taxpayers' money after bad. We need to ensure it is done right.

Senators White and Clune took opposite positions on the restructuring of the city and county enterprise boards. Without being partisan, I must say I am very much in Senator Clune's camp on this one. We must develop a one-stop shop to which businesspeople can go to access information about licensing and planning requirements, business start-up options in the local area, details of grant eligibility, options for tax reliefs and concessions of different sorts. We want to deliver them in one place. We also want — I believe Senator White recognises this — a seamless connection with the centre of excellence that is Enterprise Ireland with its capacity to develop good policy instruments to deliver to small business. What will be different is that Enterprise Ireland will be setting standards as to what is expected of the local enterprise offices. There will be service level agreements and an expectation of a standard to be delivered, which is new. There has not been such demand or insistence on standards in the existing model, which is an important innovation.

Enterprise Ireland will also benchmark the local authorities in how they become more business friendly, including the speed with which they turn around licensing or other decisions and the price they charge for water or other services. There will be carrot and stick in this. We are seeking to bring the local authorities into the economic development challenge more centrally and have them linked into the enterprise family. However, it is a two-way process, which we believe is worth trying. It rationalises and consolidates the structures to offer a more streamlined service with the capacity to be better. Obviously, we must prove that it delivers and this is the work we must take on from here. Senator Clune also referred to the banking issue. She called for more co-operation between the IDA and Enterprise Ireland in certain areas and I endorse this view. Their job is to get indigenous companies into the supply chain and to get first-time companies to pick Ireland as a place to start. These are areas where Enterprise

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Ireland and the IDA can work together. There will be positive gains from closer work in these areas.

Senator Zappone is a zealot for social enterprise and I do not disagree with her. However, before we commit to creating a Department for social enterprise we must establish a model and determine how it can be supported and how it will develop. Most people here are too young to remember the late John Kelly. He used to be very withering in his criticism of those in State bodies who spent great deal of time buying the furniture and the brass plates to put up on the wall before slipping into lovely soft seats and then asking what they would do next. In this climate we must establish what we will do before we set up the brass plates, the soft seats and the centre and the unit. I am not being facetious; Senator Zappone has raised an important issue. There is capability and capacity here. Other countries have created models in which social entrepreneurs deliver public services more cost effectively and with better outreach and impact than a concentrated, centralised public service. We must find the vehicles that can release this potential. Any such vehicles are unlikely to be enterprise funding models in the sense of the funding model that our Department develops. Other models will be necessary such as the social bond, a concept developed in the United Kingdom which is effectively a form of tendering. It opens up the tendering system for the delivery of certain services by social entrepreneurs as opposed to in-house provision or otherwise. It is important to have a workable model and Forfás will work in this way.

Senator Harte commented on the Pathways to Work programme and related issues. This is another dimension to be addressed. Senator Reilly made the same point, asking why there was not more discussion of youth and skills. There were two parallel processes in the previous Government. Perhaps they should join together at a certain point but initiatives such as Pathways to Work, Springboard and the educational dimension have been developed between Deputy Joan Burton's Department and Deputy Ruairí Quinn's Department. My focus has been on the enterprise development end. There has not been extensive discussion about the skills needs of young people and skills conversion because this is the focus of the work under way in the Pathways to Work programme. This does not in any way diminish its importance.

The issues associated with Border counties represent a challenge as does regional development in general in the current climate. As Senators are aware, higher grants are available in the Border, midland and western, BMW, region. The IDA works within a target of at least 50% location outside of Dublin and Cork. While it did not deliver this last year, so far this year the plan is on target. This is a challenge especially in the case of overseas investment. Increasingly, the type of company coming to Ireland seeks deeper labour market pools and skills. They are keen to be close to the third level colleges. They seek large labour markets where there is diversity. This is a trend in the type of investment coming here and in the way it has changed. This is challenging. However, the IDA is examining how to encourage smaller companies to choose Ireland. Such companies can have a greater affinity with regional locations. This is an ongoing challenge, as is trying to find a competitive edge in the regions. Perhaps this is more a part of the Enterprise Ireland brief and the indigenous enterprise area rather than the foreign direct investment area. It may be more a case of securing expansions from within the existing base of foreign enterprise. Such ventures may be more regionally mobile than new investments coming for the first time. This is a serious issue and we discussed it in the context of the midlands last night with Deputies and Senators from the midlands. I recognise that it is a difficult area.

Senator Sean Barrett raised a range of issues which go well beyond the debate under discussion today. These included the adequacy of economic evaluation and so on. There is no gainsaying that economic evaluation has been weak in recent times and we must be a great

deal more forensic. The case put forward by Senator Barrett to the effect that Enterprise Ireland and the IDA are top-heavy with administration must be scrutinised.

Senator Mary M. White: That is not true. They turn on the investment.

Deputy Richard Bruton: Both organisations have been reducing in size, especially Enterprise Ireland. Let us consider the size of Enterprise Ireland now compared to what it was ten years ago. There is no comparison in respect of the reform carried out.

Senator Mary M. White: If only everyone was as productive as they are. They work so hard. Senator Barrett should spend some time with them. They are missionaries.

Deputy Richard Bruton: That is an easy critique to put forward. It is easy to suggest that the number of jobs went down despite continued investment at a time of declining employment in a recession. The truth is that companies and job creation do not have an indefinite life. Jobs do not last forever. Companies merge and change and certain projects succeed. A project that remains in the country for seven years probably repays the Exchequer at a ratio of 5:1, not to mention the impact in corporate tax and so on. There is a strong bang for the buck in supporting enterprise development. Rather than the macro argument to the effect that jobs went down and costs went up and ergo the strategy does not work, we should examine individual programmes and come up with ideas for improving them. Certainly, I am open to hearing critiques of programmes or the management of individual programmes and I will consider these. However, the use of crude top-line numbers does not convince me. If there are criticisms I am willing to engage with them because I recognise that no organisation is perfect.

The case is similar with research and development, R&D, returns. This has defied people the world over. Ireland is not unique in finding it difficult to find measurable indicators of the impact of R&D. Nonetheless, one half of IDA investments now come with R&D elements. Some €500 million of investment in R&D capability by multinationals comes to Ireland each year. One of the reasons they come is because they can lock into the capability of established research centres in Ireland and the sort of people who are emerging as fourth level graduates. This is a difficult area but I fully accept Senator Barrett's challenge. As Chris Horn said, we must turn our R&D spend from a shipbuilding yard into an admiralty. We have spent many years launching individual research projects which are seaworthy and which will happily sail off but we must become strategic and turn them into an admiralty which actually delivers. That is the best way of describing what research prioritisation is about. That is the challenge in this area.

Senator Reilly focused on emigration. I do not dispute that this is the biggest issue and represents some of the most tangible evidence of our economic failure in recent years. That is the reason this process is so important to get us back to strong enterprises, exporting capability and the ability to innovate and to win new markets. These are at the heart of the plan.

I am somewhat unclear about Senator Reilly's point on Structural Funds from Europe. I presume the Senator was suggesting that Europe keeps referring to growth strategies but she cannot see the substance of it. That is a fair point. We need a more credible growth strategy from Europe. On the other hand, one must acknowledge that the European Central Bank, under its new management, is a great deal more pro-growth. We have seen the banks become underpinned. Rates are now coming down because the European Central Bank is taking a different view. Now, we have the chance to put in place a treaty which gets countries to sign up to reasonable rules of behaviour. Those two things go hand in hand. The treaty is about retrofitting to the eurozone a system that makes the euro able to respond to crises. What has been manifest in the last 12 months and more is that the eurozone was not designed to deal

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with a crisis that probably should have been anticipated but was not. We need, therefore, to retrofit a system to respond to that. That is what a lot of the process of getting back to a growth strategy is about. We must get the eurozone properly underpinned, which is at the heart of what is going on in this treaty debate. It is frustrating and slow but it is changing. If one looks back to Europe's attitude to the crisis two years ago and where it is now, one can see it has moved a great distance. We are moving towards resolving these issues.

There needs to be more imagination regarding the type of growth initiatives that come from Europe. It is a continuing challenge for the EU. Every time we hear the Taoiseach in Europe, he is continually emphasising that agenda, which includes questions such as what we can do for small businesses, how we can get banks lending again, what changes we should introduce to make our markets work better, how we open up new foreign areas and how we can use Europe's huge funding in research and development capability to better effect. These are major challenges that we face as a community.

I answered Senator White's question when she was not here.

Senator Mary M. White: Can I ask the Minister a question about enterprise boards?

Acting Chairman (Senator Pat O'Neill): I am sorry.

Senator Mary M. White: Perhaps the Minister can deal with that in his reply because I am concerned about enterprise boards.

Deputy Richard Bruton: Are we having a question and answer session?

Acting Chairman (Senator Pat O'Neill): We are.

Senator Mary M. White: He will be answering questions.

Acting Chairman (Senator Pat O'Neill): Yes. Five Senators have indicated that they wish to ask questions. They are Senators Mullins, Higgins, Mooney, O'Brien and Norris. In addition, Senators Heffernan, D'Arcy and Conway have indicated. They must remember that they have one minute to put a question; it is not a statement. We will take the questions in groups of three.

Senator Michael Mullins: I welcome the Minister and thank him for a great plan of action which will be accountable. I am also encouraged by his invitation to Members of this House to continue to feed ideas to him following the excellent debate we had recently. In his plan, IDA Ireland is mandated to locate 50% of foreign direct investment outside Dublin and Cork. I hope that a town like Ballinasloe, which has lost 1,000 industrial jobs in recent years, will be high on the IDA's priority list. That is not the feeling locally, however, despite the fact that we are located in the centre of Ireland with fantastic conditions, including education facilities. I ask the Minister to keep pressure on the IDA to look favourably on Ballinasloe.

I welcome the one-stop-shop concept, but who will decide the location in counties where there are two local authorities, such as Galway city and county? It would seem to make sense to locate one in the city and one in the east of the county, in Ballinasloe. Who will make the decisions on that?

We are obviously trying to encourage new entrepreneurs, but there is a disincentive.

Acting Chairman (Senator Pat O'Neill): A question please.

Senator Michael Mullins: The fact that sole traders are self-employed means they are ineligible for State benefits. Does the Minister intend to address this matter? I know he is examining it but we need to address that issue.

Senator Paschal Mooney: The Minister needs to provide more clarity on what is happening in the banks. We have public service directors sitting on bank boards, yet they are massaging the figures by turning overdrafts into term loans, which is crippling small businesses.

Last weekend, the Heritage Council issued a report which indicated that if the Government were to accept its recommendations, upwards of 5,000 jobs could be created in the heritage built environment across the country. I am not sure if the Minister has had an opportunity to see the heads of that report. If not, I urge him to look at the recommendations contained in it, as reported in *The Irish Times*. That seemed to indicate that, in common with the Minister's progressive policy to improve tourism and increase visitor numbers, this is an obvious area for development. Many people visit this country because of its cultural attractions, including the built heritage environment. On first reading, the figures from the Heritage Council's report seem very impressive. It appears that it would genuinely create new jobs. If the Minister does not have an opportunity to respond to this question now, perhaps he can read the report's recommendations which can then be raised in some other forum.

Senator Lorraine Higgins: I welcome the Minister to the House and commend the Government's swift and decisive action on tackling the jobs crisis. A number of essential practical measures will help businesses to create jobs in this and subsequent years. I particularly welcome measures to help the SME sector to get better access to credit, which has been a major problem. Last year, 1,900 companies went to the wall or into liquidation as a result of finance not flowing into them. That is not taking into consideration the partnerships and sole traders that went to the wall.

While we are doing well with foreign direct investment, we need to protect our own companies by ensuring that they can access such finance. The Minister for Finance has earmarked €3.5 billion worth of funding to be made available to the SME sector. However, we must be mindful of a practice that has been established in banks which are withdrawing overdrafts and turning them into term loans, thus letting them masquerade as new lending. We need to put a halt to that. I respectfully submit to the Minister that we should focus on draw-down figures as opposed to the numbers of people getting loans.

The Minister should urgently initiate the strategic investment bank, which could concentrate on high-end start-ups of indigenous Irish companies.

Acting Chairman (Senator Pat O'Neill): A question please.

Senator Lorraine Higgins: It is imperative that we fast-track this because these kind of companies are very labour intensive.

Acting Chairman (Senator Pat O'Neill): Does the Minister wish to reply to those three questions?

Deputy Richard Bruton: Yes, I will do so. Senator Mullins has again raised the issue of the IDA's regional strategy. It is a big challenge in that a lot of the companies coming here look for deep labour market pools. They are seeking city and university-type environments. The potential for the IDA to deliver on the 50% target is through examining expansions of companies that are already located here. PayPal is significant in that it was a Dublin-based company whose expansion was into the BMW area. That was a great part of that announcement. In

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addition, the IDA needs to look at smaller companies who would be more familiar with regional locations and more willing to commit to them.

Enterprise Ireland will work with local authorities on where local enterprise offices are to be located. The local authorities will obviously have a significant role in property solutions.

The Senator almost answered his own question on sole traders in that there is a serious gap there. The Minister for Social Protection, Deputy Burton, is examining the matter. One of the terms of reference for the commission examining welfare is how we can deal with that. We must bear in mind that for PAYE workers, the employer's PRSI is give or take 15%, while it is 4% for a sole trader. The amount of money going into the pool is much larger, therefore, and there may be cost and contribution issues if cover is to be extended.

Senator Mooney raised the issue of the banks as did Senator Higgins who asked if they were restructuring loans as part of the €3.5 billion figure. While it is a feature, that is not to say that restructuring of loans is always bad. Some of the loan restructuring that is going on is important; it is not all to be rejected. We need to ensure, however, that the refusal rate is brought down. The latter rate has been surveyed at about 30% across SMEs, which is too high. The refusal rates which were down at about 2% in the heyday of the Celtic tiger, clearly were too low. We need to get those rates right and much work is being done in this regard. I cannot accept Senator White's suggestion to create a legal obligation on banks, as banks must evaluate risk by examining the cash flow and applying rules to that risk, with their own skin in the game, so to speak. The State cannot underwrite everything nor can it legislate for lending to small business.

Senator Mary M. White: There is an emergency situation.

Deputy Richard Bruton: Exactly and in an emergency it is important that policy tools are introduced which will work, not ones which may have a political appeal but which will expose the State to very great implications.

Senator Mary M. White: What are we going to do? The people are crying out.

Deputy Richard Bruton: When I responded to Senator White's questions I described the actions we were taking but she was not in the Chamber to hear me.

Acting Chairman (Senator Pat O'Neill): I remind Senator White she had ten minutes to speak already.

Senator Mary M. White: Do not correct me, please, Chairman.

Deputy Richard Bruton: The Government of which Senator White was a member refused to have a partial loan guarantee. We have introduced for the first time the notion of a microfinance scheme——

Senator Mary M. White: When is that going to happen?

Acting Chairman (Senator Pat O'Neill): Senator White, please allow the Minister continue.

Deputy Richard Bruton: I have said it will happen in the second quarter of this year.

Senator Mary M. White: The Minister promised it would happen in the first quarter.

Deputy Richard Bruton: I did not promise. We only made explicit quarterly commitments in this document. We have committed to introducing it in the second quarter for the reason that it must come before this House as a legislative proposal because the Oireachtas is underwriting

the State providing a guarantee to banks and this is an action which requires legislative underpinning. Ministers cannot willy-nilly offer guarantees on loans as this must be done with legal authority, with the Oireachtas satisfied that we have put in place a robust structure. We have designed the structure, appointed an operator and we will shortly introduce legislation in the House which can then be debated. This has to be done properly——

Senator Mary M. White: My argument against it is not improper. The banks are coddling everybody.

Deputy Richard Bruton: That may well be; they have coddled a lot of people over a long period. We now see that for the first time there is a real firm hold in the Department of Finance. John Moran is the assistant Secretary General——

Senator Mary M. White: He has a big job to do.

Deputy Richard Bruton: ——and he has brought a new dynamism and a new understanding of the needs of business and results are being seen in that area.

In reply to Senator Mooney, I have not yet seen that report so I cannot comment on it but I will read it. Senator Higgins made the point that we need to take a forensic attitude to the banks. We are already developing some of the elements of the strategic investment bank. The State is moving to fill in some of the failures in the banking space, so to speak, with actions such as microfinance and guarantees and also with regard to the strategic investment fund which has already funded through pension reserve funds a series of innovation funds which are aimed at the most progressive, high-growth companies. We are now committing to using similar funds for development capital, which will help companies which need capital to progress to the next level. We are developing a series of policy instruments in the banking area which at the moment are travelling under strategic investment funds but in the longer term, the notion of a strategic investment bank knitting these together is very much on the Government's agenda. We are moving rapidly to fill gaps as we see them.

Acting Chairman (Senator Pat O'Neill): There are six Senators indicating to speak. I call Senator O'Brien and I remind her that she will have one minute.

Senator Mary Ann O'Brien: I will be as concise as possible. I thank the Minister for coming to the House. As I travel around the country visiting my colleagues, associates and friends, small-business owners and people who would like to start a business, one of the points I keep hearing is the terrifying amount of administrative compliance required and the knowledge, time, energy and talent needed to deal with it. In a previous contribution I identified one very simple step to reducing administrative costs for small businesses. This comes in the form of an optional directive agreed in February at a meeting of finance Ministers of the European Union. The directive would allow small companies to be exempted from publishing annual accounts in a bid to lessen their bureaucratic costs and to encourage small firms to take on more staff. The rules will apply to companies which have an average of ten employees or fewer within the course of an accounting year, with a balance sheet of under €350,000 and a net turnover of €700,000.

Acting Chairman (Senator Pat O'Neill): The Senator should ask a question, please.

Senator Mary Ann O'Brien: I am just giving the Minister the background information. I ask for clarity on the Government's position regarding this directive. I would hope the Government would sign up to this worthwhile proposal which will make a significant difference to business

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owners who are the life, soul and blood of this economy. I ask the Minister to be vigilant and tough in his dealings with the banks such as they are with us small business owners.

Senator David Norris: I have one particular question for the Minister. I have always had sympathy for agency workers such as the people who were employed by Irish Shipping and such groups but there is a serious problem at the moment because the transposition of the EU agency workers directive is in the process of being done in what seems to be an inflexible way. I ask the Minister to review this transposition. I ask him to ensure it is as flexible as possible because we need flexibility in employment. I understand the Minister has been made aware of a report by Jim Power, the economist, which illustrates there could be a loss of up to 10,000 jobs if this directive is inflexibly implemented. I ask the Minister to give an undertaking to review it, particularly with regard to the comparative situation in the United Kingdom where there was a lead-in period of 12 weeks, a form of apprenticeship and this derogation was obtained with the assistance of the social partners. Is there a chance the Minister might be flexible? I know he is aware of the situation and I will provide him with some further information because I understand I have only one minute speaking time.

Senator Jim D'Arcy: The Minister is welcome to the Seanad. I congratulate him on his work. Due to the massive downturn in the construction industry, many are unemployed in that sector, including professionals such as architects and engineers. In that regard, there is a significant untapped market in the Middle East for such people. I have been contacted by people in Kuwait, Iraq, Libya and Qatar. One of the companies I spoke about to the Minister has just secured a contract in Qatar to project manage and construct 50 residential properties. I ask the Minister to ask Enterprise Ireland to review its Middle East strategy and to ask the Department of Foreign Affairs and Trade to consider moving some of those countries from the political division to the economic division of the Department. I ask the Minister to use his good offices to consult with the Department of Foreign Affairs and Trade to ensure that people coming from Libya with United Kingdom visas can use those visas to gain entry to Ireland.

Deputy Richard Bruton: In reply to Senator O'Brien, I will look at that proposal. It probably is a matter to be dealt with by the Department of Finance but there would be company registration obligations involved. On the wider issue, if the Senator can supply examples of administrative compliance problems that stand up to scrutiny, I would like to see them because the Minister of State, Deputy Perry, has a committee examining this matter and undertaking an audit of licences under the plan.

The transposition of the agency workers directive was discussed in the House. The derogation will need to be negotiated by the social partners without the intervention of Government and it was not possible to secure that intervention.

Senator David Norris: Is there any way it can be now encouraged?

Deputy Richard Bruton: It was encouraged by the previous Government and by the present Government. It was not possible to get across the line and I do not foresee a sudden change of heart. The directive, which is an obligation on us, has been transposed in the most flexible way possible while still honouring the derogation. Amendments were put forward in the other House that sought to make it more flexible but they were in breach of the derogation and therefore could not be accepted. We have been constructive in that regard.

I will follow up the issue raised by Senator D'Arcy, which he has raised previously in the House. As he rightly said, Enterprise Ireland is already active in a number of Middle East countries supporting construction contracts but for political reasons there has been a pull-back

in other countries. The question is whether the time is right to examine that again, and I will get an assessment done of that situation.

Acting Chairman (Senator Pat O'Neill): There are only four minutes left and three speakers wish to put questions. I will give them one minute each and then a minute for the Minister to reply.

Senator James Heffernan: I welcome the Minister to the House and commend him on his Action Plan for Jobs 2012. I will travel to London next weekend to visit my brother who is working there and anything that will get young women and young men like my brother back working here is welcome but the proof of the pudding will be in the eating. The Minister stated that the plan will be reviewed on a quarterly basis and that everybody will have to put their shoulder to the wheel. I am sure he will be cracking the whip behind them, and fair play to him for that, but——

Acting Chairman (Senator Pat O'Neill): The Senator has ten seconds to ask a question.

Senator James Heffernan: My question concerns the county enterprise boards. I want to be clear on an aspect of the Minister's contribution. Will the county enterprise boards have local autonomy and will there be a local assessment body that can arrive at quick decisions? Will the local enterprise offices, or LEOs as they will become known, be able to issue grants or will they be required to get further approval from Enterprise Ireland?

Acting Chairman (Senator Pat O'Neill): I ask the Senator to conclude.

Senator James Heffernan: I ask the Acting Chairman to bear with me. I have been here a while waiting to ask questions.

Acting Chairman (Senator Pat O'Neill): That is not my fault.

Senator James Heffernan: On small and medium-size enterprises which employ between ten and 50 people, the Minister said there was a break in the ladder, so to speak, between enterprise boards and Enterprise Ireland. Will the new one-stop-shop take those businesses under its umbrella because the Minister will understand they provide valued employment, especially in areas in rural Ireland? I refer to those enterprises who do not export.

Senator Martin Conway: Well done, Minister. My question is simple. He spoke at a conference here recently hosted by Ahead. The issue I want to raise is that the joined up thinking among Departments still has not reached the level we want. That programme is being supported by FÁS but the problem is that it could have the funding pulled, although it is a job creation initiative. Are there working groups within each Department specifically charged with ensuring the red tape is cut to facilitate job creation?

Acting Chairman (Senator Pat O'Neill): Thank you, Senator. That is the way to ask a question. I call Senator D'Arcy who has less than one minute.

Senator Michael D'Arcy: You are a tough Acting Chairman. What is the Minister's opinion on foreign direct investment jobs? The previous Government's policy of gateways and hubs effectively meant that some portions of the country were abandoned. We saw that the assessment of the number of jobs was done on a regional basis and then on a county by county basis. In my county there has not been a substantial job announcement in terms of foreign direct investment for many years. I refer to hundreds of jobs. I accept companies like PayPal do not come around very often but does the Minister believe there is any potential for the review of

[Senator Michael D'Arcy.]

that policy on gateways and hubs? I ask him not to allow the areas that have been abandoned, such as my county of Wexford, to continue to be abandoned?

Acting Chairman (Senator Pat O'Neill): The Minister has one minute to reply. I do not know what he can do in one minute; we might give him two.

Deputy Richard Bruton: To reply to Senator Heffernan's question, there will be a local autonomy. There will be a local loan assessment board which will not have councillors on it but will be independent, much like the existing one. It will have grant giving powers but it will be under a service level agreement with Enterprise Ireland. It is delegated autonomy within an agreement, and that is the right way to move.

There will be a new support for enterprises which do not export. There will also be a keenness to get companies which do not export to export for the first time but we believe that under this new structure, in which Enterprise Ireland and the local enterprise office will be seamlessly connected, there will not be the gaps to which the Senator referred.

I understand the point made by Senator Conway. It does not fall within my area but the Ahead programme is about supporting people with a disability to get access to placement programmes, funding and so on. I will take up that matter with the Minister responsible to determine if that funding line is at risk.

In response to Senator Michael D'Arcy's, there is not a rigid gateways and hubs strategy being pursued by IDA Ireland. It is a case of what companies want and the fit we can achieve. Regions must recognise that 92% of employment in regions is not through foreign direct investment, FDI. A total of 8% is FDI but FDI has specific needs and it is different from many of the needs of the other 92%. The first issue is whether we can win the project for Ireland, which is often the hardest one. It is then the case that issues like the depth of labour pools are often strong. That is the reason gateways and hubs come into play because connections with third level institutions become very important in terms of the confidence a company has. However, companies coming here for the first time will often hire consultants who give them rankings of different areas, and that fixes their mind, whereas companies already established here can look more benignly on other regions. The PayPal decision to go to Dundalk was an interesting example of a company with a Dublin base moving to a BMW region. We are seeking to get the regional spread but it is not as simple as moving pawns around on the board because the company's needs are often very specific.

Acting Chairman (Senator Pat O'Neill): When is it proposed to sit again?

Senator Deirdre Clune: At 10.30 a.m. tomorrow.

Adjournment Matters.

Acting Chairman (Senator Pat O'Neill): As Senator Cullinane is not present I call Senator Byrne who has four minutes.

Redundancy Payments

Senator Thomas Byrne: I am glad to have the Minister in the House. Go raibh maith agat a Chathaoirligh. Gabhaim buíochas duit an ábhar tábhachtach seo a roghnú maidir le na h-oibrithe thuas i nDún na Rí i gContae na Mí a bhfuil i ndáiríre ar stailc agus a bhfuil "blocade" ar siúil acu ó lár mí na Nollaig seo chaite.

I raise the issue of the Lagan Brick factory. If this factory were in a main town or city it would be occupying the main news headlines on a daily basis. Since the middle of December the workers in the Lagan Brick factory, who have been treated appallingly by their bosses, have been engaged in a combination of blockading the factory and, since last Saturday, on official picket. They are now almost 12 weeks on that blockade, which is the same length of time involved in the Vita Cortex workers case, but they have received none of the publicity or praise. My heart goes out to those men because they are not looking for publicity or praise. They seek only their entitlements and their rights.

On behalf of the workers I plead with the Minister to intervene in this dispute in an effective way because no intervention has been forthcoming. In terms of what will happen without an intervention, first, Ireland's only brick factory will close down. This industry is traditional to that area, and there are no other brick factories in the country. Second, many workers will lose their jobs including workers from County Meath, where the factory is based, County Cavan, in which the main town of Kingscourt is located, County Monaghan and County Louth. As the Minister is aware, there are a number of issues associated with employment law that have not been resolved satisfactorily. Many of the workers in the plant have served for over 20 years but are receiving only statutory redundancy and a slightly higher offering from the company. This is not acceptable. It now seems to be common practice for companies to offer only statutory redundancy in the belief that the State will pay.

The announcement was made before Christmas in the aftermath of the budget. Had it anything to do with the budgetary announcement on redundancy payments? There was a warning in that regard at the time. The Minister must intervene. The staff in question are beaten down and totally disheartened. They do not seem to be receiving any support, certainly no official support. I plead with Lagan Brick, a very substantial company that relies on goodwill throughout the country, to use its goodwill and protect it by re-entering talks in the Labour Relations Commission. I urge the Minister to intervene on behalf of the workers and the brick industry in Ireland. It should not be closed down on a day when we are talking about doing everything possible to ensure job security. While we are talking of job security, we are allowing a very important industry, a brick factory, to close down. I ask the Minister for a substantial response. The workers in counties Meath and Cavan are looking forward to hearing it.

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): I thank Senator Byrne for raising this matter on the Adjournment. As he stated, the workers at the Lagan Brick factory in Kingscourt, County Cavan, have been involved in a protest outside the company's premises in a dispute over the decision by the company to close its operation on 15 December last, with the loss of 29 jobs. The union wanted to retain maximum employment at the plant and secure satisfactory redundancy terms for any workers that lost their jobs. Subsequently, representatives of the company and the trade union SIPTU attended conciliation talks at the Labour Relations Commission on 10 and 16 January. Following those talks, the company and SIPTU accepted proposals put to both sides to the commission to progress the issues in dispute. In line with these proposals, an independent assessor, agreed by both sides, undertook an examination of the trading position of the company, including an assessment of the viability of continuing manufacturing in Kingscourt.

It was envisaged that the assessor would provide a report to both sides within a period of two weeks and that the parties would reconvene under the auspices of the commission on 30 January to consider the implications of the assessor's report and other outstanding issues, including the question of severance terms for required redundancies.

[Deputy Richard Bruton.]

The assessor subsequently sought additional time to complete the report and the reconvened hearing took place on 6 February. Following receipt of the assessor's report, further progress was, I understand, made at the Labour Relations Commission on a number of issues, but agreement on the central issue of redundancy terms was not achieved. Following the hearing on 6 February, SIPTU stated that it would be seeking the intervention of the Labour Court in this dispute following the failure to reach agreement in the talks at the commission. However, I understand that Lagan Brick subsequently issued a statement contending it had fully engaged and made all reasonable efforts to settle the dispute, and that acceptance of the terms on offer was now best left as a matter for each employee to decide on as reasonable negotiation had, in the company's view, come to an end.

SIPTU claims the failure of the company to attend the Labour Court is in breach of the private sector protocol agreed by IBEC and ICTU in 2010, stipulating that parties utilise the machinery of the State — the Labour Court and Labour Relations Commission, or other agreed machinery — to resolve disputes.

I understand that, in a ballot conducted on Thursday, 1 March, SIPTU members in Lagan Brick voted almost unanimously to take strike action in response to the company's decision not to attend the Labour Court, and that seven days' notice of strike action was served on Lagan Brick by SIPTU on 2 March.

I regret that the company has decided against attending a Labour Court hearing, contrary to good industrial relations practice in that regard. The experience and expertise of the Labour Court offers the most appropriate and effective avenue for resolving such disputes. I urge the company to agree to avail of the services of the State's industrial relations machinery and I urge both parties to engage fully in the process. I urge the parties to put their difficulties and differences behind them and approach the process in good faith with a view to accepting the outcome of the process.

Ireland's system of industrial relations is, essentially, voluntary in nature and responsibility for the resolution of industrial disputes between employers and workers, whether in redundancy or other collective disputes, rests with the employer, the workers and their representatives. The State provides the industrial relations dispute settlement services to support parties in their efforts to resolve their differences.

Even what often appears to be the most intractable of disputes is capable of being resolved where both sides engage constructively and in good faith in this voluntary process. The principle of good faith implies that both sides in a dispute make every effort to reach an agreement and endeavour, through genuine and constructive negotiations, to resolve their differences. I urge the parties involved in this dispute to work together to break the current impasse by utilising the established machinery for dispute resolution, which is available to assist at short notice.

Senator Thomas Byrne: I have a number of questions. The last three paragraphs of page 2 of the Minister's speech and the first paragraph of page 3 should be included in a letter to the company. The Minister is making his remarks on the record of the Seanad but they would have some strength if they were on the Minister's headed paper and sent to the company. He would not be doing anything wrong by doing so as he would be stating what he is stating in the Seanad. The remarks would have extra impact.

We must acknowledge how pitiful it is to have seen 29 strong, skilled workers standing at a brazier since before Christmas, the caravan beside them being their only shelter. In the event

of the company closing down, as is planned, what does the Minister propose to do to retrain the staff?

I want the Minister to think about these issues and not just respond to me now, although I will be delighted to hear his response now if he wishes to give it. What does he propose to do to protect the brick industry and keep the jobs in Ireland? There is a strong export demand for the bricks that come from Kingscourt as they are well known.

I appeal to the media to consider this issue, visit the workers at the brazier, look inside their caravan and note the suffering they have had to put up with for the past 12 weeks. The media should highlight their plight as this would be of considerable assistance to the workers in dealing with the company.

Deputy Richard Bruton: I am happy to provide both sides with a copy of the comments I have made. Retraining options comprise a longer term issue that does not fall directly within my brief. There are considerable challenges to be faced in seeking to develop retraining options for people who have been in the construction sector. Part of the jobs plan we have been discussing involves determining where there are opportunities in the construction sector and how they can be developed in what is a very difficult period for the sector. Programmes such as Springboard are directly designed to seek to assist people to switch from one area to another and are resulting in success.

Industrial Relations

Senator David Cullinane: I welcome the Minister to the House. He will know that, during the Lisbon treaty campaign, there was much talk about the Charter of Fundamental Rights of the European Union, and that commitments were given to trade unions that if they supported the treaty the issue of collective bargaining and trade union recognition would be dealt with through legislation. I understand collective bargaining is referred to in the programme for Government.

I have raised this matter not to convince the Government that what I propose is necessary, because it is in the programme for Government, which I hope the Minister supports, but to seek information. I want to understand what is involved and what will be necessary. Is it simply a matter of legislation or will we need a constitutional amendment? If the latter is required, I hope it will be part of the constitutional convention and will be achieved during the lifetime of the Government.

The Minister is currently reviewing the employment rights bodies in the State. This is welcome because it affords an opportunity to deal with a number of anomalies and problems in the system. I approach the matter from the perspective of seeking to strengthen workers' rights, entitlements, terms and conditions.

In the Minister's preamble, which was a discussion paper in respect of which he sought submissions, one of which was made by me, he refers to workplace disputes being resolved at the earliest possible stage at workplace level. This, however, can only happen through dialogue.

There can only be dialogue when a company recognises the representatives of its workforce, that is, a trade union, if there is one. Surely, therefore, the Minister will agree it is good, right and proper that there be proper dialogue in which all employers recognise the representatives of their workforces, engage with them through dialogue and use the industrial relations machinery at our disposal in the State to resolve workplace disputes.

6 o'clock

[Senator David Cullinane.]

Is the Government committed to enshrining in the Constitution, if necessary, the right to collective bargaining or is it a matter for legislation?

Deputy Richard Bruton: I thank Senator Cullinane for raising this issue on the Adjournment.

While Article 40 of the Constitution guarantees the right of citizens to form associations and unions, it has been established in a number of legal cases that the constitutional guarantee of the freedom of association does not guarantee workers the right to have their union recognised for the purpose of collective bargaining. It has been the consistent policy of successive Governments to promote collective bargaining through the laws of this country and through the development of an institutional framework supportive of a voluntary system of industrial relations that is premised upon freedom of contract and freedom of association. There is an extensive range of statutory provisions designed to back up the voluntary bargaining process. The freedom of association and the right to organise and bargain collectively are also guaranteed in a number of international instruments which the State has ratified and which it is, therefore, bound to uphold under international law.

The 2007 decision of the Supreme Court in *Ryanair v. The Labour Court* cast doubt on the mechanisms that had been established in the Industrial Relations (Amendment) Act 2001 and the Industrial Relations (Miscellaneous Provisions) Act 2004 to resolve problems between employers and workers on employee representation issues, where that could not be done through existing procedures. Prior to the outcome of the *Ryanair* Supreme Court case, the original legislative arrangements had been seen as a workable compromise. The legislative model for resolving issues relating to employee representation had reflected a shared commitment that, where negotiating arrangements are in place, the most effective means of resolving differences which arise between employers and trade unions representing employees is by voluntary collective bargaining. In the absence of a practice of voluntary collective bargaining, subject to agreed qualifying criteria, the industrial relations Acts 2001 and 2004 provided a mechanism by which the fairness of the employment conditions of workers in their totality could be assessed.

The social partnership Towards 2016 transitional agreement of 2008 committed to establish a review process to consider the legal and other steps necessary to enable the employee representation mechanisms that had been established under previous agreements — and in legislation — to operate as they had been intended. The agreement also provided for a commitment to bring forward legislative proposals to prohibit the victimisation of trade union members and the incentivisation of persons not to be members of a trade union. The review process did not result in any substantive progress being made on the issue. There is a commitment in the programme for Government to ensure that Irish law on employee's rights to engage in collective bargaining is consistent with recent judgements of the European Court of Human Rights. This process will require consultation with stakeholders, including employer and worker representatives, and a review of the experience of the operation of the existing legislative framework as put in place under the industrial relations Acts of 2001 and 2004 and the consequences of the litigation that has arisen in the course of the operation of these Acts. The programme for Government also contains a commitment to establish a Constitutional Convention. The Government has approved the establishment of the convention and has agreed in principle, arrangements for its structure and operation.

The programme for Government sets out a programme of topics to be considered by the convention and the Government does not propose to depart from that. The programme for

Government proposes that the convention examine the following matters — review of the Dáil electoral system; the presidential term; giving citizens the right to vote at Irish embassies in presidential elections; provision for same-sex marriage; amending the clause on the role of women in the home and encouraging greater participation of women in public life; increasing the participation of women in politics; removing blasphemy from our Constitution; and reducing the voting age to 17 years. The programme for Government also makes it clear that the convention is free to consider “other relevant constitutional amendments that may be recommended by it”. It is the Government’s view, however, that the convention should deal first with the topics that were assigned to it in the programme for Government. To get the convention started, the Government proposes that initially it should look at two matters of reducing the presidential terms to five years and reducing the voting age to 17 years. This Government is committed to the implementation of its programme for Government commitment to reviewing our legislative provision for collective bargaining in the light of international jurisprudence. I would remind Senators, moreover, that the programme for Government is a five year programme. I believe that the established dispute settling institutions should continue to play an important role in disputes over trade union recognition. The established procedures can be improved and secured without introducing a mandatory requirement upon employers to recognise trade unions for collective bargaining purposes.

I am certain that satisfactory arrangements can be put in place that are suited to our constitutional, social and economic traditions, as well as our international obligations. I am also convinced that they can be framed so as to ensure continued success in attracting investment into our economy.

Senator David Cullinane: I asked the Minister to clarify if it would be necessary to amend the Constitution in order to legislate for a right to collective bargaining. In his response, the Minister said that it had been established in a number of legal cases that the constitutional guarantee to freedom of association does not guarantee workers’ rights to have their union recognised for the purpose of collective bargaining. Is it correct, therefore, that it would require a change in the Constitution to establish the absolute right to collective bargaining? Is that a fair assessment of the situation?

Deputy Richard Bruton: It is not Government policy to introduce mandatory recognition of trade unions, as outlined in my reply. The policy is to seek to deal with court rulings that have occurred in this area and in particular to find a workable solution that——

Senator David Cullinane: If somebody were to request, for example, that there would be mandatory trade union recognition, would it require a constitutional change? I am not asking whether the Government would do it.

Deputy Richard Bruton: I do not have the legal expertise to advise the Senator on that.

Senator David Cullinane: That is the question I raised on the Adjournment.

Deputy Richard Bruton: Yes, indeed. To be honest, I do not know. It is not Government policy to have mandatory recognition, as it is essentially a voluntary system. The reason is that many investors do not recognise trade unions. We have a mixed system. What evolved under the industrial relations Acts, is that trade union representation was not recognised and there were still issues that needed to be resolved and a means of adjudicating on them in the Labour Court, that did not require mandatory recognition, was developed under the Acts. The ambition of Government is to get back to restore a system for dealing with such cases. It has not been

[Deputy Richard Bruton.]

Government policy to seek to introduce mandatory trade union recognition. I am not a constitutional lawyer, but if I can find information I will send it to the Senator.

Acting Chairman (Senator Pat O'Neill): I thank the Minister, Deputy Richard Bruton for his co-operation. I welcome the Minister of State at the Department of Jobs, Enterprise and Innovation, Deputy John Perry.

Local Authority Housing

Senator Colm Burke: I wish to raise on the Adjournment the issue of elderly people who want to downsize their living accommodation as their house is too large, now their families have grown up and left. We had a programme in place that allowed local authorities to purchase those houses and provide alternative accommodation to them. I have come across a few cases recently where people were advised that this programme is no longer available to them. That is the context in which I tabled this motion. A significant opportunity is being lost. The value of property has dropped, the local authorities are trying to provide housing for families and we could have a situation, where an elderly couple live in a four bedroom house, but all they require is a two bedroom house. They want to relocate to an area, where their neighbours are people of a similar age and services are nearby. Their needs are two-fold, they want security and they can no longer afford to continue to maintain and heat their large house. At the same time, there is a major demand on local authorities to provide social housing but they do not have the money to build new houses. I wonder if we can restore that former policy. I understand that when it was in place it worked well, especially in areas where there were a large number of elderly people. I suggest that issue be examined by local authorities with a view to resolving a number of issues in the policy area.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry): I apologise on behalf of the Minister for the Environment, Community and Local Government, Deputy Phil Hogan, who is on Government business and I am taking this Adjournment matter on his behalf.

I thank the Senator for raising the issue. There is no specific national scheme in place to assist elderly people who wish to downsize their living accommodation by selling their house to their housing authority and arranging for their housing authority to provide them with alternative accommodation which is suitable to their needs.

The matter is dealt with under each housing authority's letting priorities and allocations scheme. Under section 22 of the Housing (Miscellaneous Provisions) Act 2009, housing authorities are required to make an allocations scheme in accordance with the Act. It is a matter for housing authorities to determine the priority to be given in the allocation of dwellings to households assessed as being qualified for social housing support. An allocation scheme is solely a matter for the housing authority concerned to make and implement, as it is a reserved function of the housing authority.

A number of housing authorities operate some form of downsizing scheme within their schemes of letting priorities. These schemes may take the form of "empty nest" or "sheltered housing" schemes and allow older people to sell their houses to housing authorities in return for access to social accommodation, usually in the form of old persons dwellings or sheltered housing, often to enable older persons to live close together in a common community. These schemes involve some level of financial contribution from the sale of the house to be provided

to the housing authority in return for the provision of social accommodation, and the provision of accommodation is often in conjunction with voluntary housing bodies.

It is also open to a housing authority to allocate housing from its general housing stock if appropriate units are available which would suit older persons downsizing, whether they are existing social tenants or new applicants. It is entirely a matter for housing authorities, independent of the Department of the Environment, Community and Local Government, to allocate housing based on the needs of each applicant.

Downsizing schemes exist for a number of reasons. First, the accommodation may be too large to maintain if family members have moved out, or may be unfit for the needs of the owner occupier. Where the original house is sold to the housing authority and alternative housing is provided, the responsibility for maintenance rests with the housing authority. The financial circumstances of older persons may be taken into account as they may be unable to afford the maintenance and upkeep of existing accommodation.

Second, units are often specifically designed for older people, with fewer stairs and other adaptations for easier living. A number of such schemes operated by housing authorities take into consideration medical, compassionate or similar grounds. Third, in the case of older people living in a community with similar requirements, such schemes can provide independence and dignity for older persons, as well as encouraging a sense of community and companionship, in a safe, private and caring setting.

We are committed to supporting the issue of accommodation provision for older persons. Obviously the capacity to do so will be subject to the level of resources available to the housing authority. The Government's vision for the future of the housing sector in Ireland as delivered through the housing policy statement of June 2011 is based on choice, fairness, equity across tenures and on delivering quality outcomes and value for money for the resources invested. The overall strategic objective remains "to enable all households access good quality housing appropriate to household circumstances and in their particular community of choice".

Acting Chairman (Senator Michael Mullins): Does the Senator have a final question for the Minister of State?

Senator Colm Burke: I thank the Minister of State for his reply. An opportunity is lost by not having a comprehensive policy in place. The housing market has been at a standstill for the past four years and there are many elderly people who wish to make the move and want the security. I ask the Department to examine the issue and put in place a comprehensive policy. The Minister of State will recall the 1980s when we gave a £5,000 grant to people for the surrender of local authority houses. Suddenly, this resulted in a large number of houses becoming available at low cost which in turn created its own social issues afterwards. However, the measure was not thought out to any great extent. This is an opportunity that is being allowed pass us by. The issue should be examined to ascertain whether a comprehensive policy can be put in place. We should not allow the opportunity pass us by where we can get good property and where elderly people would be well looked after. Given that we are losing out on all fronts I ask that policy be reviewed in that area.

Deputy John Perry: Under section 22 of the Housing (Miscellaneous Provisions) Act 2009, housing authorities are required to make an allocations scheme in accordance with the Act. Obviously some local authorities do a superb job. The Minister, Deputy Hogan, has advised there is huge merit in the scheme. I have no doubt it is about the resources available in each local authority. In his overview of the governance of local authorities the Minister will examine

[Deputy John Perry.]

the overall level of management in each local authority. While he may deem that a review of section 22 is necessary in respect of delegated functions, resources and availability of funding, the discretion of the manager and the elected members of each county council and their respective housing policies, I have no doubt the section is being used effectively by many local authorities. The message is that where people living in large houses can be accommodated in a friendly and restful home environment that has merits. I have no doubt the Minister will take on board the points made by the Senator in any review planned by him.

Election Management System

Senator Martin Conway: I ask that young graduates, professionals and people who are competent but cannot get a job in Ireland because of the appalling economic downturn be given the opportunity of a day's work on the day of the referendum on the EU fiscal compact treaty. It makes absolute sense and would send out a clear message that the Government is serious about jobs and giving people an opportunity.

During the presidential election a number of people contacted me to say they were disappointed that people who had already served in various aspects of society, whether as members of An Garda Síochána, former teachers and so on, were getting the day's work in polling stations as presiding officers and polling clerks while they had no job. It is a straightforward, easy win for the Government to make a conscious effort to direct the registrars throughout the country to set up a panel of competent, capable, professional graduates or competent capable professional individuals who, through no fault of their own, are on the live register. I would go further and say that their social welfare entitlements should not be deducted because of the day's work. That would send a clear message to the people who are suffering and to their families and loved ones, that the Government is serious about equal opportunities and about ensuring the less well-off get the opportunity to have a day's income. Those who are already in receipt of pensions or in employment, but take a day's holiday in order to do this work, should be replaced by people who need a chance. This is not rocket science and it can be done. If there is a willingness it should be done and I sincerely hope it will be done.

Deputy John Perry: I thank the Senator for raising this important issue. The Minister, Deputy Hogan, would have been here only for he is on Government business this evening.

The primary role of the Department of the Environment, Community and Local Government, in electoral matters, is to provide an appropriate policy and legislative framework for a modern and efficient electoral system. Within that framework local returning officers are responsible for all matters connected with the conduct of elections and referendums, including the selection, appointment and training of polling staff in accordance with the relevant provision of the electoral law. To assist returning officers the Department issues guidance to them in advance of each election and referendum. That guidance emphasises that the smooth conduct of polls is dependent on maintaining a cadre of sufficiently skilled and experienced people. Having regard to the overall objective of the smooth conduct of the polls, returning officers are advised to employ competent and efficient persons as polling staff. They are also asked to give consideration, wherever possible, to employing suitable persons who are unemployed and that point was raised by Senator Conway. The approach taken in the Department's guidance strikes the right balance. Clearly, there are competent unemployed individuals who could, with the appropriate training, undertake duties relating to the conduct of polls. However, it would be unwise to dispense entirely with the experience and skills of all of those who have successfully

undertaken the role in previous elections and referendums. That is not what the Senator proposes.

We are dealing with the fundamentals of our democracy. When someone votes at a polling station the tasks undertaken by polling station staff may seem quite straightforward to anyone familiar with electoral matters. However, polling staff must be able to deal, in accordance with the electoral law, with the myriad of problems that can arise on a case by case basis. They must also be capable of carrying out the detailed instructions at the end of the poll, such as the completion of the ballot paper counts and handling spoiled ballot papers and the marked copy of the electoral register for their stations. Many of these tasks are critical for the next stage, the count.

To assist in maintaining consistency and the highest standards at polling stations the Department of the Environment, Community and Local Government issues a manual for presiding officers at each election and referendum. Local returning officers supplement this with appropriate training to ensure that all staff are familiar with their tasks and responsibilities. Clearly, previous experience is important in building up the type of knowledge and understanding that ensures a successful conduct of polls. The correct approach is for returning officers to continue blending experience with new talent and that is important. Earlier the point was raised that opportunity should be given to people whenever possible. The Department will continue to encourage local returning officers to employ suitable unemployed people wherever possible for the conduct of the polls. Returning officers should do so while maintaining a cadre of sufficiently skilled and experienced people to ensure that elections and referendums are conducted to the highest of standards.

Acting Chairman (Senator Michael Mullins): I thank the Minister of State. Are there any final questions?

Senator Martin Conway: There is a perception that this work is a closed shop. Guidelines are only guidelines and it will be like judges' pay unless there is a willingness to meaningfully engage. I take on board what the Minister of State said about experience but a lot of these areas are systems driven. Once a system is in place they can be, and necessarily are to a large extent, foolproof. I hope that we see new blood. The closed shop image exists in many polling stations throughout the country where the same people have done it for years and nobody else is given an opportunity unless one of them dies.

We need to move away from that system. We need a citizens panel of competency that gives a fairer balance for what amounts to between €300 and €400 for a day's work. As far as I am concerned, it is an easy win. Instead of issuing guidelines we should be a little harder and deliver the message that it is Government policy to have at least a 30% to 40% employment rate of people who need the money. Some polling stations have three to four polling booths with two people assisting at each one. There is no excuse for this and action must be taken. I take on board the experience element but the job is not rocket science. It is important and needs to be done correctly but there are plenty of competent people that can do it.

Deputy John Perry: The tone of the reply which I have given on behalf of the Minister is in keeping with what the Senator said because the presiding officer has huge autonomy to recruit new people. For the presidential election there was quite a turnover of staff and new people were employed by presiding officers. The Minister will take on board the Senator's comments, which are important. There will be a message delivered direct to every presiding officer highlighting that when vacancies arise that a job opportunity be given to suitably qualified people.

[Deputy John Perry.]

As the Senator said, the training is straightforward and should be easy to accommodate. I will express the Senator's concerns to the Minister. I am sure, from the comprehensive reply that I delivered here, that such consideration is in the Department's mindset. The message will be relayed to each presiding officer that where a vacancy arises that preference should be given to a suitably qualified unemployed person.

The motion has merit and I thank the Senator for tabling it. The Government should listen to him and not give lip service but accept his recommendation that where new people are qualified they should be given a job opportunity.

Acting Chairman (Senator Michael Mullins): I thank the Minister of State and the Senator. The House stands adjourned until 10.30 a.m. tomorrow morning.

The Seanad adjourned at 6.30 p.m. until 10.30 a.m. on Wednesday, 7 March 2012.