



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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SEANAD ÉIREANN

Déardaoin, 9 Iúil 2020

Thursday, 9 July 2020

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

*Machnamh agus Paidir.
Reflection and Prayer.*

Teachtaireacht ón Dáil - Message from Dáil

An Cathaoirleach: Dáil Éireann passed the Microenterprise Loan Fund (Amendment) Bill 2020 on 8 July 2020, to which the agreement of Seanad Éireann is desired.

An tOrd Gnó - Order of Business

An Cathaoirleach: I thank the Ceann Comhairle for the use of this historic Chamber. I am sure many of the Deputies from Members' counties will be anxious that Members do not get too comfortable and that we return to our own Chamber as soon as circumstances allow.

I remind Members we have 55 minutes for the Order of Business and for contributions from Members, and to which we must keep, otherwise we will not be able to bring in everybody who wishes to speak. As such, our advice today is from Cicero, who said that brevity is the best recommendation of a speech, whether in a senator or an orator, although I am sure many Senators are also orators.

As this is the first sitting of Seanad Éireann in this historic Chamber since 1987 and as nearly 40 Members are new to the House, there are a number of procedural issues I want to clarify in regard to the Order of Business.

The Order of Business is what the Leader outlines for the House on a given day. The issue before us today is the Microenterprise Loan Fund (Amendment) Bill 2020. Members can contribute on the issue during the Order of Business. There has also been a practice by Members of bringing up other issues they want debated in the House and they call for the Leader to arrange time to have those issues debated. They can, of course, talk about that issue and support that issue with their argument but brevity is key. We do not want long speeches and scripted speeches are not encouraged, although Members can, of course, have one because it is the Order

of Business and it is their Chamber, but time is of the essence.

In previous Seanaid, the Committee on Procedure and Privileges has outlined what Members should speak on and how long they should speak for but we have not adopted those rules yet. Leaders have three minutes and all other Senators are asked to speak for two minutes. On the Order of Business, it is the practise that Senators, other than leaders, would confine their remarks and suggestions to one issue.

The clocks are here today for guidance and to assist Members with timekeeping while being mindful of the advice of Cicero. I wish all the orators well in this historic Chamber and again thank the Ceann Comhairle for accommodating Seanad Éireann in the Chamber of the people today.

I ask the Leader to outline the Order of Business.

Senator Regina Doherty: The Order of Business is No. 1, motion regarding appointment of Members to the Seanad Committee on Procedure and Privileges, which is on the Supplementary Order Paper, to be taken on the conclusion of the Order of Business, without debate; No. 2, motion regarding the appointment of Members to the Seanad Committee of Selection, to be taken on conclusion of No. 1, without debate; No. 3, the Microenterprise Loan Fund (Amendment) Bill 2020 - All Stages, to be taken at 12.15 p.m., with the time allocated to the group spokespersons not to exceed eight minutes and all other Senators not to exceed five minutes, and the Minister to be given no less than eight minutes to reply to the debate on Second Stage and Committee and Remaining Stages to be taken immediately thereafter; and No. 4, motion regarding earlier signature of the Microenterprise Loan Fund (Amendment) Bill 2020, to be taken on conclusion of No. 3, without debate.

Senator Shane Cassells: I welcome the Leader outlining the very important business today in respect of the Microenterprise Loan Fund (Amendment) Bill 2020. One of the most common parliamentary questions tabled here in the Dáil Chamber asks the Minister for Business, Enterprise and Innovation to outline how many investor visits IDA Ireland has conducted in a particular year and in which counties they took place. The answer is then followed by the gnashing of Deputies' teeth when they attack the lack of visits to their county *vis-à-vis* those in Dublin or Cork. There will be a very even playing field this year, going by the comments made by the head of IDA Ireland, Martin Shanahan, yesterday. He outlined how physical investor visits have fallen to zero and virtual tours conducted by IDA Ireland have yielded one deal for this particular year. In outlining his mid-year results, Mr. Shanahan reported a 6% decline in projects won this year by foreign direct investment, FDI, visits. This is going to prove a big challenge for IDA Ireland, which is needed for FDI, over the next six months.

The stimulus package for SMEs from the microenterprise fund is critically important but the coming weeks are critical for the higher end of the spectrum as well. Our work needs to be pressed further, especially by the Minister of State, Deputy Troy, and the Minister, Deputy Varadkar. I look forward to the July stimulus package because we need to protect businesses in the here and now and show there is proper investment in order to protect jobs. I raised this matter the other day regarding one industry across the whole range of industries, but what was outlined by Martin Shanahan yesterday is quite worrying. We need a very positive response regarding IDA Ireland from all members of the Government who are working purely on this issue, in particular from the Minister, Deputy Varadkar, and the Minister of State, Deputy Troy.

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Senator Frances Black: Over the past few days I have been inundated with accounts of the hardship being suffered by people in the entertainment business, including performers and many of their staff and crew. They have all asked me to highlight the crisis in their industry. Since the beginning of the Covid pandemic, all venues have been forced to close with the resulting loss of hundreds, if not thousands, of jobs. While other industries have also been severely impacted, they are now able to see light at the end of the tunnel but, unfortunately, music, theatre and comedy are totally dependent on a paying audience. Due to social distancing requirements, which we all agree are necessary, venues may only be able to cater for 15% of their capacity and this is just not viable. It has been estimated that the industry will not return to full capacity until 2023, which is absolutely devastating for it. The hardship being endured by people in the arts sector has to be addressed. In 2020, the rate of recession in the arts sector will be between 34.6% and 42% compared with 11% in the Irish economy as a whole.

One young family man in the music industry contacted me yesterday and outlined his situation, which I want to highlight today. This year was to be his busiest ever, with tours in the USA and Europe and dates scheduled in Ireland as well. He has been building his audiences over the past four years and he is only now reaping the rewards of his investment of time and money. All these dates have now been cancelled and he is out of pocket and facing the prospect of his Covid payment of €350 a week being reduced. He has dedicated his whole life to his art and he is now on the verge of being able to pay his mortgage and provide for his family. This man's stress and anxiety are being felt by thousands of other arts workers and the State has an obligation to support people like them. Another man told me of his frustration in dealing with the social welfare payment. His tax affairs are in order and he has worked as a PAYE worker and a self-employed musician. His Covid payment was reduced as it was claimed his income was below the required amount. He has been unable to contact the relevant section to point out that when his PAYE and self-employed income are added he is above the threshold for the €350 payment. This is leading to severe anxiety, hardship and stress.

The pandemic unemployment payment and the temporary wage subsidy scheme must be continued for individual artists, arts workers and other organisations until the industry is again able to work to full capacity. Bank mortgages and loans should be deferred or renegotiated for an emergency period until the music, art and events industry can properly reopen without social distancing. The tax due in October for the self-employed in the arts industry who are without other income should be examined as their income in the current year being decimated. I call for the Minister to come to the House to address these concerns as soon as possible as the Covid payments are due to cease in August.

Senator Niall Ó Donnghaile: Ba mhaith liom ár gcomhionannas agus ionadaíocht a ardú ar an Ord Gnó inniu. Technically this Chamber is the Seanad but I appreciate and recognise the important symbolic significance of us being here. In particular, I am very conscious of the significance, personally and politically, for myself as a Belfast man and Senator Elisha McCallion as a proud Derry woman to be taking our seats in this Chamber. On every occasion we have convened as the Twenty-sixth Seanad I have raised the shared Ireland aspect of the programme for Government and I imagine I will raise it many times more in future. On the way to this Chamber, I thought about calling for a debate on and intervention from Ministers on this issue. One of the ways we could embolden and enable the shared island aspect of the programme for Government would be to have a shared Oireachtas, through fulfilling the long-standing promise to give MPs from the North speaking rights in the Dáil. In the context of the crises we all know are facing all of Ireland, whether Covid-19 or Brexit, it would give citizens and non-citizens

from the Six Counties a platform for their views, concerns and issues in the Oireachtas. The good practice and very positive experiences of the Oireachtas Joint Committee on the Implementation of the Good Friday Agreement, which has MPs as part of its membership, has shown the way. If we are serious about a shared Ireland and ensuring no one is left behind, a very positive first step would be to have an inclusive Oireachtas to give voice to the political reality. In calling for speaking rights for MPs I do not just call for one particular political demographic. I would like to see all views expressed in this Chamber. This is important, given the controversy that has faced the Government on the failure to appoint a unionist Member. What better symbol and way to address this snub than to give speaking rights in the Dáil to MPs from the North to ensure in this climate their many constituents are given a voice at such a crucial time for all of us.

Senator Ivana Bacik: I commend the Cathaoirleach, Leader and staff for enabling us to meet here in the Leinster House complex, following the meeting of the leaders and Whips on Tuesday. It is very good to see the constructive resolution of the difficulty of ensuring the Seanad can sit and fulfil its democratic and constitutional function while observing social distancing. We all appreciate this and look forward to working constructively to ensure we can continue to fulfil our constitutional function in an efficient and safe manner.

I renew my call for the Leader to ask the Minister with responsibility for children, disability, equality and integration to the House in early course to have a debate with us on the challenges and issues that arise under his portfolio, on which I am glad to be spokesperson for the Labour Party. A number of issues of concern have arisen in recent days. I note today's call by Inclusion Ireland to ensure that the reopening of day services for persons with intellectual disabilities is expedited. There has been a very serious impact on many children and adults with disabilities due to the closure of services and the absence of services over the past few months, since lockdown commenced. All of us are well aware of individuals on whom this has impacted very severely. I see calls also from groups such as Féach, which represents children with visual impairment or visual disabilities, to ensure that July provision is made available and that adequate facilities are in place such that children in particular but also adults do not fall back and lose out terribly as a result of lockdown.

Finally, I welcome the call by Government to implement a public consultation on the implications of remote working. This is a huge issue for many people, particularly those juggling childcare and other caring responsibilities, and there has been a really serious gender dimension to it. We have seen a particular impact on women as a result of having to work from home as well as bearing a large portion of caring responsibilities. I hope this will be raised in the context of the discussion on remote working. Clearly, there are also advantages to remote working for many involved in not having to commute or engage in long hours on public transport or in cars. I know loads of workplaces that are looking seriously at how to implement that into the future but we also need to consider the disadvantages, particularly the gendered impacts that remote working will have into the future.

Senator Victor Boyhan: I thank the Ceann Comhairle and his staff and all the staff involved for facilitating us in this Chamber. Many of us never thought we would be in here. Many of us have left here for the Seanad Chamber. Did any of us think we would all be here together so soon after the past few months and the general election? It is always a privilege to be here. It is a nice little space, and I am sure many of us will be motivated, having spent a few hours in here today, to give it a second look. I would encourage everyone to do that-----

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An Cathaoirleach: I am sure the Senator would have no problem in doing so.

Senator Victor Boyhan: Thank you for the encouragement, a Chathaoirligh.

For those who do not know, I am on the Agricultural Panel. I am a practitioner of horticulture, I studied horticulture and I wish to raise two issues in that regard. First, I wish to deal with an issue the Irish Cattle & Sheep Farmers Association, ICOSA, has raised. I have had representations from counties Kerry, Galway, Monaghan, Clare and right down to Cork concerning the sheep industry. The wool aspect of the industry is on its knees. I have received a letter from a member of the Connemara Mountain Lamb organisation. He sheared 245 sheep, and the fleeces for this number weighed approximately 355 kg. He got €17.75 for the wool from the fleeces of 245 sheep. The industry is on its knees. I asked the previous Minister for Agriculture, Food and the Marine that we would establish, as all the farm organisations have asked, a proper organisation dedicated to the Irish wool industry. We have an amazing product that is exported all over the world, yet somehow we do not have a proper processing plant for it in this country. We are talking about rural agriculture, the west of Ireland and a Government of three major parties that have advocated soft supports and improved incomes for Irish families and farms. We need to address this. I had the previous Minister before the Seanad for a Commencement matter on this and he did not give us much hope, so I want the Minister with responsibility to come before the House and consider the call for a dedicated Irish wool forum.

Finally, I wish to address the issue of horticulture. There are only two sentences in the programme for Government on horticulture. There is not a mention of a Charlotte, an onion or a cabbage. What is going on here? We have a green tinge to this Government. I wish to put on the record of the House that the lack of any ambition or commitment for the Irish horticultural sector is extremely disappointing and needs to be addressed. We are importing cabbages, onions and potatoes weekly into this country. The mushroom industry is in crisis and anyone who represents Monaghan, Cork or Carlow, where the industry is thriving to a certain extent, will tell you first hand of their experiences. We need to address the horticultural industry and we need to provide practical support to the sheep-wool industry. We need to walk our talk rather than talk, talk and more talk.

Senator Pat Casey: The reality of the survival of the tourism industry has become more apparent and more clear to me since we reopened our doors a week ago. When we think of the tourism industry, sometimes we just think of hotels, pubs and restaurants but the industry has a much wider impact than that on society. I refer to the transport sector. We have airports, ferry ports and taxis while limousine hire will probably not do any business for the next year and a half because there will be no corporate business, be it domestic or, indeed, foreign. Coach tour operators have invested heavily in their fleets but there is no market for now.

Then there is the impact this is having on the retail sector as well. Sometimes we forget that it has an impact on large retail stores here in Dublin city but, equally, in every small village throughout our country, there is a small retail craft shop selling stuff that probably will have no opportunity to open this year.

I refer to arts and culture. On the radio yesterday, Garry Hynes was discussing the establishment of the Druid Theatre more than 40 years ago in Galway. It was based on an added tourism product it was offering. Tourism was helping it survive and it was helping the tourism industry promote itself. We have festivals throughout the country, both community festivals and professional festivals. The Rose of Tralee has been cancelled for the first time ever. That

festival industry is gone. Then we have the agricultural sector. The tourism industry, including hotels and restaurants, has been moving to support local businesses and we name the farmers from whom we get our products. The industry is in turmoil.

I ask the Leader today to bring both the Minister with responsibility for tourism and the Minister for Finance to the House to stress the importance of the survival of tourism. At the core of the survival of my industry is that debate on a VAT reduction that we believe is needed if that industry is to survive and be viable into the future.

An Cathaoirleach: I call Senator John Cummins, who was twice Mayor of Waterford. His father, of course, was Leader of the House previously. He has big boots to follow.

Senator John Cummins: I do. A Chathaoirligh, can I congratulate you as well at the outset? This is my first time speaking in the House. It is a great honour to be elevated to the role of Cathaoirleach and I wish you the best with it.

Tomorrow marks a significant milestone for Waterford city and the south-east region. A planning decision will issue for a transformative 125,000 sq. m mixed-use development on the city's north quays. The project aims to deliver significant retail, hotel and conferencing facilities, prime city centre offices and 300 apartments. The development will be linked to the existing city centre via a public transportation bridge over the River Suir and it is also to have a transportation hub, which will give a modern interchange of both rail and bus transport.

The vast majority of hurdles appear to have been overcome. In 2016, the Government designated it a strategic development zone. An extensive planning scheme for the 8 ha site was developed by Waterford City and County Council and approved by An Bord Pleanála. It was listed as a key project in the national planning framework, NPF, and the national development plan, NDP. All elements of the public infrastructure have gone through an extensive Part 8 planning approval process and a planning decision will issue tomorrow for this ambitious scheme.

To date, the State has allocated €20 million via the urban regeneration and development fund, URDF, and the National Transport Authority, NTA. However, a further €90 million is required over the next four years to facilitate the infrastructure required for the development and positive commitments have been made in recent times in this regard. The return on the State investment has been independently verified by Indecon. It will unlock €400 million of private sector investment and create more than 2,300 jobs in an area with a stubbornly high unemployment rate.

I believe this project is a litmus test for the NPF and the commitments contained in the programme for Government to ensure balanced regional development.

Waterford and the south east need this development and I ask that the Minister for Housing, Planning and Local Government, Deputy Darragh O'Brien, who is responsible for the urban regeneration and development fund, URDF, be invited into the House to make a statement on this matter. I also ask that priority be given to this project in the July stimulus package.

Senator Alice-Mary Higgins: I thank the Cathaoirleach, the Ceann Comhairle and all those who have worked since the leaders' meeting to ensure that we are able to perform our work in this Chamber of course but, most important, in ensuring that all Members of the Seanad are able to fulfil their constitutional function by scrutinising legislation and decisions made in the context of that legislation. While much recognition has been given to this historic Chamber,

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it is important to remember that the First Dáil did not necessarily sit here and that this Chamber and the Seanad Chamber are not the Dáil and the Seanad. Those are important historic spaces, but it is the Members of the Dáil and Seanad and the work we are charged to do by the Constitution for and on behalf of the people of Ireland that is fundamentally important. That work is going to be more important as we face into the next 12 to 18 months, possibly, when important decisions will be made not just about the crisis but also concerning our recovery.

Regarding that work, the programme for Government sets out part of it. I know that work begins today, and the programme for Government contains measures, such as those regarding direct provision and the statutory home care provision, of which we will be encouraging speedy implementation. There are other issues, however, on which we will disagree and that is when the role of scrutiny, amendment and, where necessary, challenge will be important.

The programme for Government, however, does not set the limit of the work of this Seanad. Ideas, proposals and views on issues, such as the occupied territories and Seanad reform, and many others, will also come from the other Members of this House. I have also spoken previously about the importance of ensuring that we allow proposals to emerge from all sides. In that context, I note we are dealing with all Stages of a Bill today. I hope that will not become standard practice. I recognise the importance of this legislation on this occasion, but it is important that due process is given to all Stages of Bills. I would also like to know when Private Members' time will be reintroduced to allow new proposals to emerge. Finally, the Cathaoirleach mentioned in our last session that he might have information for us on Commencement matters and written replies.

An Cathaoirleach: I thank Senator Higgins for raising the issue of the importance of the Seanad and the principle of allowing all Members to be able to vote on any Stage of a Bill. I call Senator Gallagher.

Senator Robbie Gallagher: The measures announced by the UK Government yesterday, including cutting VAT on its hospitality and services sector from 20% to 5%, have set alarm bells ringing across the Border counties in the last 24 hours, from Donegal right across to Louth. The measures introduced by the UK Government yesterday will be in place, I understand, until 12 January 2021. Businesses in Cavan, Monaghan and other Border counties currently have a VAT rate of 13.5%. We are now asking those businesses to compete against other businesses four or five miles down the road in Northern Ireland which are operating a VAT rate of 5%. This is clearly not a level playing field and it is one that will have to be addressed in the July stimulus package.

Many businesses in the Border counties, and indeed businesses all over the country, are struggling to survive at the moment and we all realise that. The Government needs to be particularly cognisant of the difficulties of businesses located along the Border in counties such as Monaghan and Cavan. I hope the July stimulus package will offer the Government an opportunity to note the difficulties businesses in those counties face when competing against businesses in Northern Ireland. Many people in the business community are looking forward eagerly to the announcement of the July stimulus package and I hope that perhaps some of the issues already announced could be addressed in that.

The restart business programme which was announced offers grants from €2,000 up to €10,000 for businesses. I accept it was introduced as an emergency measure, but it has been very problematic. Many businesses, such as travel agencies, whose turnover may be in excess

of €5 million are also losing out. In addition, many small car dealers whose turnover may be in excess of €5 million are losing out. It is vital we address those problems in the July stimulus package.

Will the Minister alert or advise me as to when the SME task force will be up and running? Go raibh maith agat, a Chathaoirligh, and thank you for the latitude.

An Cathaoirleach: We must keep the time at two minutes, otherwise Members will not be able to get in. I ask Members to stick to two minutes. I call Senator Ahearn.

Senator Garret Ahearn: As I am speaking for the first time, I congratulate you, a Chathaoirligh, on your position and wish you well. I will be brief but I want raise the issue of a new building for the boys' national school in Cahir in Tipperary. The previous Government and previous Ministers, Deputies McHugh and Bruton, were proactive in supporting schools and new structures, buildings and extensions. Tipperary, like every other county, has been successful in that we had a major extension to the main high school in Clonmel and the same to the secondary school in Cahir. One hears these announcements and positive news stories for schools but other schools are left out and feel they need support, which they do. The boys' national school in Cahir has been fighting for a new building since 2004. That is 16 years so by any stretch of the imagination it has been a long time waiting.

I have written to the Minister, Deputy Foley, for clarification and I wish her well in her new role. I know the Cathaoirleach will be impressed with her announcements for Kerry at the moment but if she can keep them to Munster, I would be grateful. I would appreciate if we could get some clarity on that.

An Cathaoirleach: Thank you, Senator Ahearn. I call Senator McCallion.

Senator Elisha McCallion: It is welcome news that An Taoiseach, Deputy Martin, is meeting with the joint First Ministers of the North, Arlene Foster and Michelle O'Neill, next week. However, at this early stage, can I invite the new Taoiseach to visit Derry and the north west to discuss how the Irish Government can assist the regeneration of a region that, as I have previously outlined, has been devastated by partition and the Border?

I also invite the Taoiseach to meet with the North West Strategic Growth Partnership, a group that has been making invaluable contributions to bringing investment into the north-west region. Over the past number of years there have been welcome commitments to the tune of £300 million into the north west. This has come from the North's Executive, local councils, Ulster University's Magee campus and, indeed, the British Government.

I welcome the Irish Government's commitment of £75 million for the A5 road project as stated in the New Decade, New Approach document, which, as everyone will be aware, re-established the North's Executive. The A5, I am sure Members will all agree, is a crucial and essential part of the regeneration of the north west. However, I would like to remind the Government of its previous commitments to fund 50% of the overall total of the A5. I look forward to working with the Government in seeing those commitments brought to bear.

I also welcome the specific commitments the Irish Government has made in the document towards third level education at Ulster University's Magee campus. An Taoiseach has spoken regularly about his belief in the important role played by education in people's lives. The Magee campus is an excellent example of how an educational institution can indeed change

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people's lives. I look forward to working with him and all our Ministers to see how the Irish Government can contribute to the expansion of Magee campus.

We are now at a stage where firm commitments are needed from the Irish Government, not just kind words of welcome. I ask that the Irish Government consider a financial package towards the already secured £300 million that has been agreed with the other partners. I look forward to working with the Government and all of the Ministers in the time ahead to see this contribution come to fruition.

An Cathaoirleach: Thank you, Senator McCallion. I call Senator Davitt.

Senator Aidan Davitt: Thank you, a Chathaoirligh. I compliment you on your position as Cathaoirleach of the Seanad. You have been a fine pioneer of the Seanad since my involvement with you over the past number of years. I wish you every success in the Chair.

The Department of Business, Enterprise and Innovation has launched a consultation process on remote working, something which, we are all aware, is getting a lot of attention in the media. There are many practicalities involved and we welcome this initiative. I am sure many different bodies will feed into the process. I ask the Leader to press the Minister to make the roll-out feasible. It will require financial incentives. The ideas and aspiration are lovely but there will have to be some hard financial incentives. If we do not outline what is needed now and look towards the coming budget, such change will not happen. I suggest a tax credit in the region of €5,000, or a figure to that effect, to assist and encourage organisations to continue with the reform, which has been most welcome.

I ask the Leader to request that the Minister of State, Deputy Peter Burke, come to the House to discuss the Moorhead report. It is important to many Senators and to county councillors in particular. I welcome it. There is no doubt that it contains some anomalies, which we will need to tease out and work on.

An Cathaoirleach: I thank the Senator for his kind words.

Senator John McGahon: I wish to raise the issue of coach tourism. The Coach Tourism & Transport Council of Ireland, CTTC, is the largest representative body for private coach operators, which are involved in everything from tourism to transporting children to school in rural Ireland. The chairperson of the CTTC, John Halpenny, comes from my neck of the woods in Dundalk, County Louth. He is involved in Halpenny's Travel and I had a long conversation with him on Wednesday during which he outlined a couple of points. He told me there are 1,721 coach operators in Ireland, carrying a total of 75 million passengers a year ranging from American tourists to a child going to school. The sector provides a total of 11,457 jobs and contributes €400 million to the Irish economy.

A recent report on the sector from the economist Jim Power outlined the serious difficulties it faces in light of the Covid era in which we find ourselves. Turnover has declined by 95%, which is the equivalent of losing €586 million. I am sure the Leader will agree that is quite a substantial loss. The report stated that the difficulties in the sector disproportionately affect regional and rural economies. The transport needs of rural towns include transporting children to school and tourists around the county. Coach operators provide a wide range of services.

The CTTC made a very interesting, logical and detailed proposal to the Covid committees and outlined five big asks. I will not go through all of them because my time is limited but the

most important are that the financial support package of €32 million it has asked for is delivered, that a restoration of the fuel rebate to pre-2019 levels is considered and that the possibility of a moratorium on loans until income reaches 80% of previous levels is examined. It is very important that we ask the Minister for Transport, Tourism and Sport to come to the House to outline his plans for the survival of this very important industry.

Senator Rebecca Moynihan: I wish to raise the issue of the establishment of an autism spectrum disorder, ASD, school in Dublin 12. Parents have campaigned for it for a number of years and the recent report from the National Council for Special Education, NCSE, acknowledged that Scoil Choilm is a possible location. A building patron has come forward but it is getting no engagement from the Department. It needs the Department to sanction the school and get a roll number in order for it to be able to negotiate with the current trustees of the building.

Can the Leader invite the new Minister of State for special education and social inclusion to the Chamber to discuss the complete lack of ASD and special classes in the south Dublin area? While the previous Minister, Deputy McHugh, directed 39 schools to provide ASD classes, that will require engagement over the summer with schools and parents. It is simply unacceptable that in 2020 we cannot ensure that all of the children in our nation get the education to which they are entitled. We are not cherishing each of the nation's children equally. I ask that the new Minister of State addresses the Chamber over the course of the summer in order that those of us from the area can engage with him on the provision of special classes within south Dublin.

Senator Fiona O'Loughlin: On Tuesday, the Alzheimer Society of Ireland released a report called Life After Lockdown. Yesterday, I had an opportunity to read its findings and it was a very dark and disturbing read. Pre-Covid life was very difficult for those who suffered from dementia and their carers, so we can only begin to imagine what their lives are like now. We are now informed by extensive research that shows as many as 77% of carers have said that their workload has increased dramatically and 61% of them have said that they fear for their own physical and mental health. They have seen the rapid decline of those they love and care for who suffer from dementia. While I welcome this morning's news that a roadmap has been issued by the Minister of State, Deputy Rabbitte, for the opening of centres for those with a disability, it is important to have a roadmap providing community supports for those who suffer with dementia. I ask the Leader to ask the Minister of State to come here to address us on this matter. Other supports are needed. Dementia data should be included in the Covid information that is given so that people have a clear picture. The bigger picture is considering how we support family carers and enhance in-home supports. I thank the Cathaoirleach for the opportunity to raise these matters.

Senator Mary Seery Kearney: The global pandemic has brought about changes in workplaces and how we envisage the workplace in ways that we thought would never change. In recent months the concept of working from home has brought about extraordinary and great benefits. However, there are other elements to the situation. I appreciate that today it was announced that there will be a remote working consultation.

We must have an opportunity to address and bring together two pressing issues. We know that the hospitality industry is under pressure due to a lack of tourism and all of the attendant issues, as colleagues in this Chamber have said. One of the elements of working from home has been the isolation of workers. In recent months, particularly in recent weeks as we have seen things open up, team-building exercises could have been introduced. I call for a debate on the possibility of a grant for employers to provide team building and a time for the coming together

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of employees in this unique moment as they work from home the rest of the time. Given that the hospitality industry tends to facilitate these events, and larger spaces and venues have the opportunity to facilitate social distancing, we could marry the need to be inclusive, accommodate social distancing and give an incentive to the hospitality industry.

Senator Timmy Dooley: I ask the Leader to organise a debate, at the earliest possible opportunity, on the theme of restarting the economy. We are all very conscious that as we progress through the passing of the Covid-19 crisis, we need to start rebooting the economy. There are some Government supports for individuals and companies but we need to examine the criteria because some of them are not fit for purpose and do not meet the needs of some sectors of the economy, particularly the tourism sector. Much of the tourism sector depends on getting a lot of money in between now and the end of August or early September. For many operators within the tourism sector, this season will not be of any benefit. They depend on the moneys that are normally generated at this time of year to sustain them through the winter period and allow them to begin again next year. I am concerned that if we do not find a way to support them on a continuous basis, those attractions, operations and operators will not be in existence next year. Hopefully by the next season, we will have either found a cure or some method of working beyond that but there is a crisis and we need to address it. I am particularly concerned about tourism attractions and tourism operators.

Within that issue, we need to look at how the State might invest in key infrastructure at this time and I am conscious of the smaller rural villages that do not have sewerage schemes or systems. They are too small for Irish Water to address in the current climate. We are talking about stimulating economic activity and it ties in with what others have said about remote working and being able to operate outside of large centres of population. That will not happen unless we put the infrastructure in place. There is value for money right now and that kind of investment will bring great benefit. It is important that we would have an input from this House because there is a lot of expertise here from the various different vocational panels and through individuals' experiences that can contribute to this effort at rebuilding our economy and country.

Senator Emer Currie: I welcome the opportunity to discuss the Microenterprise Loan Fund (Amendment) Bill 2020 today and the emphasis on the July jobs stimulus. The sectors that have been most affected are retail, leisure, hospitality and tourism. I also mention the youth and the regions in rural Ireland in terms of the effect the lack of tourism will have on them.

We have talked about home working and one third of us have been working from home throughout the crisis. We have been juggling home schooling, home working and home rearing and the pressure there has been on women in that regard has been acknowledged. Despite the challenges, over half of the population wants to see us change the way we work and make this a more permanent arrangement because of the benefits to our quality of life. It reflects the pressures people have been under in recent years with commuting, working long hours and managing home life. The benefits are there for the environment and for employee retention and productivity but I want to specifically mention communities and the economic potential for rural Ireland and suburban communities of people working remotely. There is potential to breathe life into suburban communities and into rural Ireland.

I welcome the public consultation that has been announced and I want to focus on the opportunities as well as the challenges. One of my suggestions is that a task force would be set up between companies that are already doing remote working or that want to do it. Some 262,000 people were working remotely before the Covid-19 crisis. I acknowledge the work

of Grow Remote, which offers one-to-one assistance to employers and to communities to help them to build a community around remote working. I suggest to employers that if they want to get behind this, they need to advertise remotely. That is the single biggest thing they can do straight away to encourage remote working. We need to review the e-working tax benefit. We have done a campaign on home holidays with Bord Fáilte but what I would also like to see for rural Ireland is a campaign that will focus on people potentially moving to rural Ireland and being able to work remotely. It is a massive opportunity for regional balance and I want to stress the importance of doing this straight away through the July jobs stimulus and then through the economic plan in October.

Senator Sharon Keogan: I did not get a chance last week to say how honoured I am to have been elected to the Seanad and to thank all of those who have helped me on my journey to be here today. I have no fear in knocking down any walls for the greater good of society and I will do my best to serve all the people of this island.

I have served as a county councillor within local government for many years and I understand the value of that role within the democratic system. That value is not always recognised. The recently published Moorhead report does not reflect the work these elected men and women do within local government. That report states that councillors do 18 hours work a week, which is ludicrous. I have often done 18-hour days in that role. If we want good people in politics at local level, we must pay them a living wage. They do not demand more than that. It is not right that councillors' pay is not linked to a pension, especially when they are the only State body that is not. There is no paternity leave, maternity leave or sick leave for any councillor. We must do better for our local representatives. We must put proper supports in place to help them build better communities around them. If we get that right, let us imagine how great life would be for our citizens in our villages, towns and cities. Now more than ever, these elected leaders will be needed to re-energise and revitalise communities and promote sustainability of businesses in their areas.

I would like to briefly remark on an issue regarding the new Minister with responsibility for children, Deputy O'Gorman. I will not focus too much on the distressing amount of time it has taken for him to respond to the questions raised in the recent days about his association with Peter Tatchell. I will focus on something much more important, namely, child psychiatric services, or rather the lack of them. There are only six child and adolescent mental health services, CAMHS, in three counties - Dublin, Cork and Galway - and only two of them provide out-of-hours services. Last year, 10% of the children admitted to local beds were admitted to adult units. Overall, there has been a 20% rise in referrals to that service. I would like the Leader to call the Minister with responsibility for children into this House.

Senator Eugene Murphy: I agree with Senator Black regarding artists, particularly musicians. As Senators Black and Warfield and the Chair will be aware, I have a great association with those people through my time in local radio. At the moment, they are in distress financially and they need assistance. They feel they are being left out of the loop and we must address that.

I want to return to the issue of private coach companies, which a number of Members have spoken about. There are 11,500 people employed in the sector and there are 1,600 private bus companies. There has been significant investment in fleets in recent years. The bus has literally stopped but not at the bus stop. It has stopped, full stop. We need to listen to those people and make a strong case for them because, at this time of year, any road one goes on, one sees these buses travelling left, right and centre. School transport is an issue as well.

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I disagree with my good friend, Senator Boyhan, regarding horticulture. The issue is well addressed in the programme for Government. From the Fianna Fáil perspective, I wrote a document and I compliment our partners in Government who are very much focused on this area. I am a horticulturist. I outlined in that document all of the fruit and vegetable importations and the document clearly states there will be a total review of the horticultural industry, which I welcome. It is long overdue. There are jobs out there we can create in the horticultural business. We are good at selling our dairy products across the world; we have failed miserably in regard to the horticultural industry. I assure Senator Boyhan and others that the issue of horticulture will be addressed by this Government like no other has addressed it and that is progress.

An Cathaoirleach: Spot on the button. It is easy to know the Senator was in radio. I call Senator Carrigy. We are going into injury time so if Senators could stick to a minute, I would appreciate it.

Senator Micheál Carrigy: I thank the Cathaoirleach and the Leader. It is an honour to stand up and speak in Leinster House. I thank everyone who supported me to get elected to represent them here. It is not the Seanad Chamber, but it is great to be in Leinster House.

I support Senators McGahon and Murphy regarding private coach operators. I have family involved in the industry and I echo their comments.

I wish to raise a number of school issues. School in September is a worry for a lot of schools. I have three issues in my area regarding school buildings that need to be replaced. One is Meán Scoil Mhuire in Longford town. It is more than 100 years old and has more than 600 pupils. Students are in 40 to 50 year old Portakabins. Prior to social distancing, that was not adequate. An application is with the school building unit for a new school and I ask the Minister to consider and prioritise that. There is also an application from my *alma mater*, St. Mel's College, which has over 500 pupils. They are not looking for a new building but to renovate the existing structure, which was the diocesan college within the town, to cater for more pupils. We also have an issue in Edgeworthstown, which is the second largest town in the county. We have over 300 children leaving the town every day to travel to schools outside the area. In a time when we are looking for people to reduce being on the road and transport emissions, these are three issues that need to be prioritised. I ask that the Minister would look positively on them immediately.

Senator Tim Lombard: I wish to take this opportunity to raise the issue of school transportation. We hope we are seven weeks away from having the schools reopening. The lack of clarity regarding the school transportation scheme is something we need to get clarity on as a matter of urgency. Last year, the criteria were changed to allow a second school to be considered for school transportation. We need clarity on whether that is going to be continued. If the 2 m rule we have at the moment in the Houses of the Oireachtas was to be implemented for school transportation, a 52-seater bus could take just 16 students. If the rule goes down to 1 m, just 22 students can be taken. The real crisis at the moment is that parents do not know whether there is going to be an adequate school transportation scheme capable of taking over 100,000 children to school in seven weeks' time.

The Minister for Education and Skills, Deputy Foley, should be brought into this Chamber in the next two weeks. She must come here before the end of the month. There is no point in her doing so in September. It will be all over then because the kids will have gone back to school. We have 100,000 kids who do not know whether they are going to get a bus. In a 1

m distancing scenario, 50,000 kids will lose school transportation. That cannot work. Neither rural Ireland, urban Ireland nor families can survive such a scenario. We need to have the Minister in this Chamber in the next ten days to explain how she is going to manage this scenario. If we do not have a school transportation scheme lined up in an adequate timeframe, parents will not be able to cope with the stress they are going to be under.

We put an extra €1 million into the scheme last year when we changed the criteria to have a second school brought in. That important change in the criteria changed the lives of many people. We need clarity and waiting until September will not do. We need to have the Minister in here in the next ten days.

Senator Fintan Warfield: I want to commend the NGOs in homeless services and addiction services for their incredible work in recent months, as well as Dublin City Council and the HSE. Only 63 homeless people in Dublin were diagnosed with Covid-19 and there was one Covid death. I want to salute the front-line staff whose bravery and dedication ensured Dublin outperformed even the best-case scenarios for Covid-19 mortality among homeless and drug-using populations.

Covid is reshaping drug policies around the world. It is amplifying places where punitive policies are in place and it is fast-forwarding positive, more progressive policies in places like Ireland. These include greater provision of housing thanks to a rapid response by Dublin City Council, and the HSE taking decisive action to reduce harm. Waiting times for methadone dropped overnight from 12 to 14 weeks to two to three days. People's medication was delivered directly to them by the Ana Liffey Drug Project and the Chrysalis Community Drug Project and the HSE allowed for retrospective prescriptions of naloxone in overdose situations. All of this has been outlined in a study for the London School of Economics by Dr. Austin O'Carroll, Mr. John Collins and Mr. Tony Duffin of the Ana Liffey Drug Project and I commend them for it.

The new Minister of State with responsibility for the national drugs strategy, Deputy Feighan, must now secure and protect the changes that have been made. He should remember as he settles into his brief that this experience reiterates the value and the logic of drug policies that are based on harm reduction.

An Cathaoirleach: I call Senator Conway and then finally Senator McDowell.

Senator Martin Conway: I thank the Cathaoirleach and the Ceann Comhairle for dealing with the teething problems we are inevitably going to face over the coming period. The arrangements are working out very well.

I call on the Leader to facilitate a debate with the Minister with responsibility for tourism at some stage very soon, because tourism will be one of the mechanisms we use to successfully reboot our economy. Back in 2012, when we were on our knees as a country and an economy, the first industry that blossomed and helped get us out of that particular recession was tourism. We started off with the initiative of The Gathering and that developed into the Wild Atlantic Way, which has been enormously successful in both the Cathaoirleach's native county of Kerry and my native country of Clare. In a post-Covid era, the attractions and benefits of the Wild Atlantic Way will be even more pronounced because of the space issues and the fact that it is primarily outdoors and is healthy. We need to recalibrate the marketing of tourism to point out the advantages and benefits of the outdoors, particularly along the west coast of Ireland. We also need to consider the collection of small cottage industries that depend on tourism, such as

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people selling crafts, those in the music and entertainment business and people involved in the arts, who collaboratively present the Irish package and the céad míle fáilte for which we are renowned internationally. All those cottage industries and various facets need to be supported in order that they can collectively put their best foot forward to help this country get back to where we were.

Senator Michael McDowell: I thank the authorities in Leinster House for enabling us to meet in this place. On the question of education, I strongly support the requests made not only today but on a previous occasion for a serious set of debates on education. Both Ministers with responsibility for education, Deputies Foley and Harris, should be asked in here, not to announce final decisions, because there are obviously difficulties and uncertainties around the extent of Covid infections and how quickly we will be able to overcome them, but to set out principles for the reopening of schools. The effect of the closure of schools in September will be substantial, not only for rural Ireland but urban Ireland as well, particularly given the capacity of many married couples or single parents to get back to work themselves. It is a serious issue. I do not want to point fingers but some of the conversation in the media has concentrated on the problems rather than on the known risks and dangers of doing nothing or staying paralysed. In respect of the Minister, Deputy Harris, in particular, it is time we had some clarity on how higher education, which is now his brief, is to be financed. There is a crisis coming in higher education if the universities do not open up. They will not be able to attract foreign students or charge substantial fees for online education and I would like to hear the Minister set out what he is considering doing, not just what decisions he has made, on the financing of higher education because it is about to get to a critical point.

An Cathaoirleach: Before I call on the Leader, I must point out that we have again run over time. I acknowledge that we are standing in a new Seanad and getting used to the procedures, but it is about brevity. The Leader is supposed to have ten minutes to respond but as we have to be out of here in exactly six minutes in order that the cleaners have the opportunity and the time to clean the Chamber, we may not get the responses Senators want. We have to be conscious of time. I thank the Leader for her indulgence.

Senator Regina Doherty: Instead of individually going through everybody, I will cover the shared requests for a number of urgent debates with a commitment to look for them if not next week then at very earliest the week after.

One of these debates is on the obvious stimulus needed for all of the industries detailed, not least of which are hospitality, tourism, arts and entertainment. In all of the grants that have been established in recent weeks there are hits and misses. There are people who were excluded. Obviously, I am very hopeful that the July stimulus package will address all of the concerns we have but our concerns need to be heard. I will request the various Ministers with responsibility for tourism, transport, enterprise and the economy to come to us at their earliest convenience to have our views heard and all of our ideas put on the record. I will do this as soon as I can.

Another vital debate needed is that on the reopening of our schools and universities, not least with regard to how we are going to get our pupils to the schools, teach them and make up for the ground we have lost. This is notwithstanding the tremendous job that parents have done trying to cope with home schooling in recent months. I have been there myself and it was not the easiest thing in the world to do. It is a very important debate that needs to be had. We will make these requests today and I will come back to Senators at the earliest convenience to make sure it happens before we go into recess, whenever that happens to be.

Senator Cassells asked about IDA Ireland investors. It is a moot point for us in Meath because we have had very few visits in recent years. The problem is there will not be any visit from anybody in any county over the next 12 to 18 months. This needs to be addressed in the July stimulus package and we need to support IDA Ireland to keep the foreign direct investment we already have in the country and make sure we maintain it and look forward to seeing how we can encourage positive input and new developments in the country.

Senator Black spoke specifically about a debate on Covid payments. Again, I expect this to be spoken about in the July stimulus package. I invite the Senator to bring the concerns she has, particularly with regard to seasonal workers, our artists and the entertainment industry, to the debate we will have on the July stimulus package.

Senator Ó Donnghaile called for a debate on a shared island. With the Senator's indulgence, I think it would be better if we allowed the group that is to be established in the Department of the Taoiseach a while to get bedded in and meet their counterparts in the North. The North-South Ministerial Council meetings will happen in the week beginning 20 July. If the Senator does not mind, I will try to schedule a debate for September. I believe it is something that needs to happen sooner rather than later.

Senator Bacik asked for a debate with the Minister with responsibility for children. I will request this. Given our profile of work for the coming weeks it may not happen until September but as soon as it can happen I certainly will arrange it.

I am not sure, with regard to Senator Boyhan, that the Connemara sheep association has ever before been mentioned in the Seanad but it is very apt. I for one did not realise how much difficulty the business is in. Given that sheep rearing is an enormous part of our heritage, the Senator is right and I will write to the Minister to request a body or task force be established to show pride in the industry.

Senator Casey also spoke about tourism and it will form part of our debate during the summer. In response to Senator Cummins, I have good wishes for the planning decision that will be issued tomorrow for Waterford city. I very much hope it is positive. I will also write to the Ministers looking for shovel-ready projects to bring forward in the national development plan for immediate assistance and the resources required for investing. Balanced regional development is very important for the Government. This development would be perfect in the region and it would be a huge statement. I will write to the Taoiseach today to express the views of the Senator.

Senator Higgins called for debates on statutory homecare and direct provision. While I know these issues are incredibly important, the debates will probably come at the very beginning of September, if that is okay with the Senator. To answer her other questions, once the Committee on Procedure and Privileges is established after the motion is passed today we will sit down and raise what it is we would like to do and reintroduce and how quickly. Ministers are reading into their briefs and I know how difficult that can be. I had the luxury of having the summer in 2017 to do so and perhaps Ministers this year will not have that luxury. On this basis, we will establish a timetable of what we would like to do. I have made a request to have written responses for Commencement matters until they resume but I do not see why they should not be able to resume next week or the week after. Let us talk about that and we will have a meeting of the Committee on Procedure and Privileges at the earliest date we possibly can so we can address the issues the Senator has outlined.

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Senator Gallagher has raised a real issue for us in the House that the tourism VAT rate has been reduced to 5% in Northern Ireland, and more power to the Northern Ireland tourism industry for which it is welcome. It definitely does, however, put our Border counties at a distinct disadvantage. Perhaps we can bring the matter up during our debate on the July stimulus package. I will come back to the Senator when I find out when the SME task force will be established.

Senators Ahearn and Carrigy both brought up specific issues with schools in their localities. Again, I suggest that, once we reinstate Commencement matters, they invite the Minister to come to the House and get direct answers. In the meantime, I was making inroads yesterday into finding out how I might establish a process for Members of this House to have access to parliamentary questions, which we have never had before. I will pursue this. I do not see any reason we cannot have such access. Perhaps it would be time-consuming and would involve an administrative burden, and perhaps in the first instance, if we are successful, we might put a limit on the number of questions we can ask until the process is bedded in, but I will definitely pursue the matter in the coming weeks.

The question Senator McCallion raised she raised with me the other day. I am very pleased to say the North-South Ministerial Council will meet for the first time in nearly four years, which is really welcome. As I said the other day, I myself never got the opportunity to participate in it, but it is really good that it will now meet. It will meet, I think, on the week beginning 20 July. I also take on board the fact that previous commitments were made in respect of investments in the A5 and Ulster University's development. They need to be followed up on, notwithstanding, obviously, that the world has changed and our economy is in very much a different place from where it was six months ago. Commitments are commitments, however, and they need to be restated in whatever shape or form possible.

Senator Davitt talked about the remote working consultation, as did many other Senators. It is really welcome. In my time as Minister with responsibility for employment affairs, it was something we tried to get off the ground. As Senator Currie knows well, Grow Remote is an absolutely wonderful organisation. Businesses were tinkering with this but not as wholeheartedly as they are now. Other Senators brought up the fact that there is a real problem with remote working. All the benefits are very obvious to us and we all know them: there is less traffic and there is more time at home with our children. All the positives are great, but a real issue is well-being and positive mental health for people who are isolated and who do not meet anybody at the water cooler or down in the canteen. We need to address these issues and encourage and perhaps incentivise businesses to put in place good practices. Tax incentives and breaks are very welcome but we also have to be cognisant of the fact that all employers have a responsibility to their employees. That means good posture where they sit at home, not just at the kitchen table. All these things need to be talked through, which is why the consultation is very welcome.

A number of Senators mentioned the coach industry. Again, I think it should form part of the July stimulus package debate we will have.

Senator Dooley talked about restarting the economy. Perhaps we will try to schedule four or five hours of debate on this and break it down between our tourism and our hospitality sectors and assisting all our businesses with the incentives they need.

One thing we definitely need is a debate on the Moorhead report. While I know the report

was a very valuable exercise, some of the language used in it was very disrespectful. I say that having been a councillor and having had an incredibly enjoyable experience with Senator Keogan over a number of years. What the report tells me is that its authors do not really understand what it is councillors do and certainly do not appreciate the value of the public service our council colleagues offer all the citizens of this country. We therefore really need a debate here so we can express the value of the public service our 900-plus councillors give every single citizen in the country and so we can see, as Senator Keogan said, the proper pay and working conditions that should be the right of every single worker in this country extended to our council colleagues. I will establish that debate as quickly as I can.

I join Senator Warfield in expressing our gratitude to the front-line services for their exemplary behaviour and service practice towards our homeless community, not just in Dublin but indeed throughout the length and breadth of the country. The number of cases and deaths were nearly a miracle but show the dedication, support and the excellent services they already offer, which perhaps is not as commended as often as it should be. There were premises available that might not have been available in days gone by, when we had other kinds of industries taking up those premises. We have them now and we need to make sure we do not lose them. We need to make sure that these people are given proper routes to establish a proper, new lifestyle for them. I join with Senator Warfield in saying “bravo”. They did a wonderful job, as they did in Kerry, Limerick, Galway and all the other counties. I am learning this job. I did not realise I had to answer everybody’s questions every day and I ask Senators for a little latitude until I get my act together. However, I am very grateful to be here.

An Cathaoirleach: I am, too, trying to get my act together.

Order of Business agreed to.

Appointment of Members to Seanad Committee on Procedure and Privileges: Motion

Senator Regina Doherty: I move:

That, in pursuance of Standing Order No. 98 of the Standing Orders relative to Public Business, the following members be appointed to the Committee on Procedure and Privileges:

Senators Ivana Bacik, Lisa Chambers, Paul Daly, Alice-Mary Higgins, Seán Kyne, Michael McDowell, Niall Ó Donnghaile, Pauline O’Reilly, Diarmuid Wilson.

Question put and agreed to.

Appointment of Members to Seanad Committee of Selection: Motion

Senator Regina Doherty: I move:

That, in pursuance of Standing Order No. 97 of the Standing Orders relative to Public

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Business, the following members be appointed to the Committee of Selection:

Senators Lisa Chambers, Martin Conway, Gerard Craughwell, Emer Currie, Paul Daly, Róisín Garvey, Paul Gavan, Lynn Ruane, Marie Sherlock, Diarmuid Wilson.

Question put and agreed to.

Sitting suspended at 11.51 a.m. and resumed at 12.15 p.m.

Microenterprise Loan Fund (Amendment) Bill 2020: Second Stage

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

An Cathaoirleach: I welcome the Minister of State, Deputy English, to the House,

Minister of State at the Department of Business, Enterprise and Innovation (Deputy Damien English): I congratulate the Cathaoirleach on his new role.

An Cathaoirleach: I thank the Minister of State.

Deputy Damien English: It was well earned over many years of service and I wish him good luck. There are many new faces in here. I was going to say “in this House”, but this is not actually the House. It is good to be here in the Seanad, however, and I welcome all the new Senators. There are many new faces and I am looking forward to working with everybody over the next couple of years. I had an important relationship with the Seanad during my previous term as a Minister of State. I found it a great place to come to, work in and bring legislation through, but also in many cases to commence legislation. We found it had a very effective role where some of my previous and current colleagues improved legislation. I am conscious that there are some people up there in the back row who have been very active over the years in constantly amending legislation in the Seanad and it is a great place to bring legislation through. I thank Members for their previous co-operation and I look forward to working with this new House as well under the direction of the Cathaoirleach.

We brought this Bill into the Dáil for its first day on Tuesday, with the Tánaiste, and yesterday was the second day we spent on it. We are trying to get all Stages complete with everyone’s co-operation, if we can, because it is urgent to get money to many microenterprises. That is why the schedule is tight and I thank Members for their co-operation on that.

I am glad to be here in the Seanad as Minister of State with responsibility for employment affairs and retail business to bring forward the Bill. This is important legislation as part of the Government’s response to support the enterprise sector, particularly microenterprises, in meeting the challenges presented by Covid-19. The purpose of this Bill is to make certain amendments to both the Microenterprise Loan Fund Act 2012, as amended, and the European Investment Agreement Act 2018 to help businesses access additional finance they need as a result of the Covid-19 crisis.

I will outline the background as to why this Bill is necessary. It is quite clear from all

the contributions in the Lower House that Members really understand the importance of this. SMEs are under a lot of pressure as they try to reopen, restart and re-employ all the good employees they have had for years, but also access the funds they need to keep going. We are trying to support them with a range of different measures, but this one was key in that they also need to access funds. The fund was established in 2012 and has been useful not only for existing businesses but also for start-ups, and that same demand has increased tenfold over the past couple of weeks.

Covid-19 has affected all parts of our society and economy since early February. Due to the unprecedented nature of the shock to the business environment caused by the outbreak, my Department and its agencies have worked hard since then to help businesses meet the challenges presented by the pandemic, both locally and globally. This has included the roll-out of a wide range of measures and advice for businesses, engaging with stakeholders, economic analysis, providing evidence to Government on the needs of business and the impacts on the wider economy while also continuing with our regulatory and governance functions.

Some issues were raised yesterday that there has not been enough engagement. I want to be clear that the Minister who led our Department previously, Deputy Humphreys, and her junior Ministers, have had much engagement with the sector over the past couple of months. It was not possible to hold face-to-face meetings, as people will appreciate, but there was regular engagement by the former Minister and her colleagues via Zoom, WebEx and every other form we have become used to now, with the sector. It was quite fast moving and, therefore, there was not the detailed negotiation we would normally have with the sector when trying to bring forward changes, but there was regular contact. At the time I was Minister of State at a different Department, but I spoke to Deputy Humphreys almost every day, and she was engaging with the sector. I hope people will realise she made every great effort.

The Tánaiste, the Minister of State, Deputy Troy, and I have maintained that engagement on a daily basis with all the different voices for the business sector of all shapes and sizes. We are open to meeting people and we will try with great effort over the next week to do more of that before we complete the July stimulus plan. Every effort will be made to engage with them, work with them, and share and take on board their ideas. It does not mean we can implement everyone's idea, because that is not possible, but certainly the engagement will be there, as it would always have been in the past, and I hope we can continue that. Likewise, that engagement will be there for Senators as well.

To give an idea of the extent of the impact which we have seen, by the end of April 2020 the numbers on the live register, pandemic unemployment payment, PUP, and temporary wage subsidy scheme, TWSS, combined have increased to more than 1,177,000, but further job losses are still possible. While the number of people on the PUP is falling week on week, the scale of the crisis is unprecedented. This disruption has, in turn, given rise to a severe negative shock to domestic demand. The Central Bank of Ireland report summarised that the impact of social containment measures and restrictions remaining in place for a three-month period before rolling back will result in GDP declining by 8.3% in 2020.

The impact on SMEs has been enormous. SMEs are the backbone of the economy, representing 99.8% of business activities in Ireland. In May 2019, there were 238,000 SMEs in our economy employing more than 1.3 million workers at a time overall employment stood at 2.3 million. These enterprises are spread throughout the country in urban and rural areas and represent a vibrant and diverse range of economic activity. Our SMEs have faced significant

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challenges in dealing with previous economic difficulties and, more recently, in preparing for Brexit, but they have shown that they are adaptive, innovative and agile in their responses to such challenges. They also have specific needs when compared to other areas of the economy. The Economic and Social Research Institute, ESRI, recently published new analysis of the CSO data, which indicates the vital importance of the domestic sector as a whole to the economy. By looking at the economy on the basis of net national product rather than gross national domestic product we can see that compensation, that is, wages, mainly, in domestic firms in 2018 accounted for 75% of wages in the economy as a whole. Compensation in foreign multinational enterprises only accounted for 25%, or a little over €23 billion.

The overall contribution of the domestically owned sector in 2018 was just under €117 billion, accounting for 79%, with foreign multinationals contributing €31 billion to the overall net national product when repatriation of profits to their foreign owners was taken into account. Many domestically owned SMEs are microenterprises and it is clear that they are a vital part of our economy as they have grown and diversified over recent years, adjusting to challenges and globalisation, and responding to economic crises to become increasingly key contributors to Irish growth in their own right.

Various bodies representing the SME and microenterprise sectors have outlined the need for assistance, including access to liquidity funding, for that cohort of enterprises and many of the sectors within it. Many of those representatives met the previous Minister for Business, Enterprise and Innovation, Deputy Humphreys, the Minister of State, Deputy Troy, and the Tánaiste.

In late April the Central Bank published a research note on SME liquidity needs during the Covid-19 shock which indicated the likely need for some form of external liquidity support for firms if they were to reopen once the policies to contain the spread of Covid-19 were eventually relaxed. My Department was cognisant of this need and has already begun expanding existing schemes and developing new measures to help enterprises, particularly SMEs and microenterprises, to access crisis liquidity.

As part of the initial response of the Government to the Covid-19 pandemic, the Department has reprioritised and repurposed existing programmes to respond to Covid-19. These include: the repurposing of the Enterprise Ireland online retail voucher scheme; the lean continuity voucher and financial planning grant schemes; local enterprise offices, business continuity and trading online voucher schemes; InterTradeIreland's emerge and emergency solutions schemes; the credit guarantee scheme, legislation on which will come before the House next week or the week after; the working loan capital scheme; and the microfinance loan scheme we are discussing today.

There were also other schemes to assist businesses, in particular SMEs, which are run by other Departments such as the online retail voucher scheme under the Department of Communications, Climate Action and Energy, and the rates rebate scheme from local authorities through the Department of Housing, Planning and Local Government. There are two parts to the rebate scheme. One is the restart grant that most businesses can apply for, which is based on 2019 rates up to a maximum of €10,000. Nearly €88 million has been paid out under that scheme, but there have been delays in some local authorities. Businesses know they will get the money, but want it as soon as possible. We are trying to speed up that process. The second issue concerns the three-month rate waivers which, as things currently stand, are based on this year's rates. Some local authorities are still waiting for more guidance on that before they can confirm it, but I was happy to confirm to the Dáil yesterday that it is in place and will feed through. We

will look at extending that in the July stimulus plan if it is worthwhile.

My Department has been at the forefront of developing actions to assist businesses during this challenging crisis. For example, in addition to the existing credit guarantee scheme remaining available for SMEs, a new Covid-19 credit guarantee scheme was developed under the flexibilities allowed by the European Commission in its temporary framework for state aid measures to support the economy. While we announced that, it cannot kick in until legislation is passed. That is why we will revisit the matter. It is to be hoped it will go to Cabinet next week and come before the House next week or the week after. It is an important Bill concerning loans through the existing retail banking sector guaranteed by the State, whereas microenterprise loans go through our State-owned bank. These flexibilities allow for credit guarantee schemes to include small midcaps and primary producers as well as SMEs, but the temporary framework is due to expire in December. That is why we will pass legislation well before that date.

Microfinance Ireland was established under the Enterprise Loan Fund Act 2012 to provide lending to microenterprises. It was established at another difficult time for business in this country, and we discussed issues around access to funding for businesses from 2011 to 2014. It was felt that a lot of companies at that time could not access funding because the banking sector was not willing to lend to them. That is why Microfinance Ireland was set up in the first place. It was meant to be highly risk-tolerant and provide essential funding to support start-ups and other small businesses. I am conscious that the current demand is not necessarily from start-ups, but it will be in the future as people change career by choice or otherwise in the weeks ahead. The majority of applications are from existing businesses which are looking for support.

By the end of 2019, Microfinance Ireland had supported 6,030 net jobs in 2,400 microenterprises. It has a wide geographic coverage, with 79% of its loans granted to businesses outside Dublin. According to the Central Statistics Office's latest business in Ireland report, microbusinesses accounted for 26% of the persons engaged. The sector is quite a big employer.

The context of Microfinance Ireland's lending changed significantly with the onset of the Covid-19 crisis last March. In response to an urgent need for liquidity in the face of an unprecedented challenge in economic activity my colleague, Deputy Humphreys, as Minister for Business, Enterprise and Innovation, announced at that time a €20 million Microfinance Ireland fund for Covid-19 impacted microenterprises. This fund makes loans of up to €50,000 available to impacted businesses with reduced interest rates of between 4.5% and 5.5%, and a six-month interest-free period.

Microfinance Ireland has experienced a significant and growing demand since the Covid-19 loan was launched in March, with demand having risen tenfold compared with last year. As of June 2020, 581 loans have been approved amounting to a total value of just under €16 million. It seems likely that this demand will continue to accelerate as the economy moves into a recovery phase. Accordingly, the proposed amendments to the microenterprise loan fund have been drafted to provide a legislative basis for increased funding from Microfinance Ireland, which is needed as a matter of urgency. In many cases, Members will have received feedback to the effect that businesses were told that their loan applications could not be processed because Microfinance Ireland cannot access additional money until we pass this legislation.

It is also required that Microfinance Ireland can have access to additional funding, which was agreed by Government, to allow it to continue to help microenterprises seeking to access

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funding to facilitate a return to economic activity as soon as possible when allowed by public health conditions. As a significant majority of these microenterprises that are assisted by Microfinance Ireland are located outside of Dublin, it is likely that many of them are in rural communities. Their survival will assist those communities to recover from the effects of Covid-19 and return to work, rather than cause large unemployment black spots. As I mentioned yesterday, I am very conscious that some of these businesses tried to stay open, where allowed, and provided a local service in many areas during Covid-19 but the majority of them were asked to close and told they could not open. Now these businesses need an extra bit of help and cash liquidity to reopen and provide those services or goods again.

Given the exceptional circumstances that have resulted from the Covid-19 crisis, it is prudent to increase legislative ceilings to ensure that Microfinance Ireland's lending will continue to be available to assist very small businesses for as long as required. Given the extreme urgency of processing this Bill and the need for microenterprises to access the necessary finance schemes, these increases have been included as amendments in the Bill as presented for publication. However, very high demand for the Microfinance Ireland Covid-19 loan has put pressure on the funding position, which is why it is urgent that we bring this legislation through here. Importantly, with 79% of Microfinance Ireland's lending to businesses outside Dublin, the scheme will be an essential tool for very small regional businesses that hope to reboot their economic activity over the coming weeks and months. It is essential that the legislation needed to provide further funding to Microenterprise Ireland for this lending be progressed as quickly as possible. Again, I thank the Senators for their co-operation in facilitating this discussion here today.

There are a number of amendments to existing sections of, as well as the inclusion of one new section in, the Microenterprise Loan Fund Act 2012, which are intended to facilitate making increased funding available to MFI to allow it continue to provide short-term credit facilities to microenterprises in order to help them to survive and begin to return to normal working conditions. In addition to allowing increased grant aid to Microfinance Ireland, the amendments are intended to facilitate Microfinance Ireland in sourcing efficient and affordable financing through the Strategic Banking Corporation of Ireland, which was established in 2014. Again, due to the unprecedented nature of the shock to the business environment caused by the outbreak of Covid-19 there has been significant demand placed on Microfinance Ireland for liquidity and, therefore, the existing limits no longer suit its business model.

Today, we are also discussing the European Investment Fund Agreement Act 2018, as this Bill will amend the Act to allow my Department to enter into new counter-guarantee arrangements with the AIB Group to underpin financing schemes for SMEs and small mid-cap businesses. According to the CSO's latest Business in Ireland report, small and medium enterprises, excluding microbusinesses, account for 21% of the gross value added and 42% of persons engaged. Hence, it is important to help the sector to return to or maintain economic activity in the short term and facilitate its return to growth in the longer term.

The European Investment Fund is a subsidiary of the European Investment Bank. The European Investment Fund Agreement Act 2018 allows relevant Ministers - currently the Minister for Agriculture, Food and the Marine and the Minister with responsibility for enterprise, trade and employment - to enter into agreements with the European Investment Fund, which have a cumulative contribution committed up to a limit of €75 million. The amendment included in section 8 of this Bill will increase the limit to €500 million. It is imperative that the option for relevant Ministers to engage in further agreements with the European Investment Fund is made

available immediately in order that those Ministers are in a position to act quickly to engage in new agreements with the European Investment Fund, which will then allow us to further facilitate access to finance for small, medium and micro-sized enterprises. The current limit on the aggregate liability in respect of contributions committed by relevant Ministers, under all agreements, is €75 million. The mandate agreement with the European Investment Fund, in partnership with the European Investment Bank group, for the future growth loan scheme announced in budget 2019 includes an Irish executive contribution committed of €44 million. This leaves insufficient scope for further meaningful agreements with the European Investment Fund or the European Investment Bank at this point in time. The expansion of the Irish limit is necessary to allow expansion of schemes such as the €500 million expansion of the future growth loan scheme, which will provide for the long-term lending needs of SMEs, including farmers and those in the fishery sector, that are looking for emergency liquidity supports and looking to reboot and reinvest in their businesses in the long term.

Given the significant demands on the resources of the European Investment Bank group, this funding may not be available to Ireland at a later date and so it is prudent to put this legislation in place to facilitate negotiations with the European Investment Bank group on this €500 million expansion of the loan scheme as quickly as possible. Amendment of the European Investment Fund Agreement Act 2018 will enable Ireland to further draw down from the European Investment Bank funding. This includes funding for schemes that are targeted to facilitate business investment in addressing climate change challenges and opportunities. Such investment will create opportunities for businesses to deliver environmental and climate change benefits, reflecting the policy goal of a climate-resilient Irish economy. Current indications are that there is a cohort of companies seeking long-term financing which will enable them to invest in their enterprise, including making the changes which are becoming necessary to address the climate change challenges.

On the progression of the Bill to date, the Minister's predecessor, Deputy Humphreys, has been actively engaged in efforts to assist all sectors and all regions of the economy since the pandemic started. As part of those efforts, she sought the urgent drafting of this Bill, which we are considering, and obtained Government approval on 1 May to draft the Bill. The Government approved it on 29 May for publication but we had to wait until both Houses sat before we could bring it through.

I will briefly go through the Bill section by section. Section 1 is a standard provision, which defines the Microenterprise Loan Fund Act 2012 for the purposes of the amendments being made in this Bill. Section 2 is a standard provision, facilitating the inclusion of the definition of a promotional financial institution within the definitions already contained in section 2 of the 2012 Act. Section 3 amends section 5 of the Microenterprise Loan Fund Act 2012 to increase the overall amount the Minister can grant to Microfinance Ireland by €70 million from the current total cap of €35 million to a new cap of €105 million. Section 4 amends section 7 of the Microenterprise Loan Fund Act 2012 to reflect the fact that the amended Act will allow Microfinance Ireland to borrow from promotional financial institutions as well as from its parent social finance foundation. Section 5 removes the restriction on Microfinance Ireland from borrowing on its own behalf. Section 6 inserts a new section 8A into the 2012 Act, which gives Microfinance Ireland the power to borrow moneys from persons or sources other than its parent social finance foundation. Section 7 is a technical amendment to section 19 of the 2012 Act, to reflect the fact that the Bill will allow Microfinance Ireland to access borrowings from other lenders as well as from its parent social finance foundation. Section 8 amends section 2 of the

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European Investment Fund Agreement Act 2018 to raise the maximum contribution committed to €500 million from €75 million. Section 9 provides for the Short Title and the commencement provision.

I am pleased to be able to take this Bill forward to the Oireachtas and put in place the necessary measures for this vital support to the Irish economy. I am conscious that it is a relatively small Bill so I ask that Members take the opportunity in their contributions to add in any ideas or suggestions they want to put forward for the July stimulus plan, which we are working on. The main focus of that plan in the programme for Government will be to try to sustain existing jobs, help companies that are restarting, secure jobs and help companies to reopen and to continue to grow and thrive. We are all conscious that all sectors of business throughout the country are under immense pressure. The July stimulus plan will be targeted at certain sectors, if needs be. It is an initial attempt to put funding into key areas to protect jobs and to restart businesses and we will build on that with a later long-term strategy that will come forward at the time of the budget. That will be the economic recovery plan and it will be brought forward in October. We will probably have a lot more time to go into detail on that and it will be more of a long-term plan but the July stimulus is to provide quick interventions that will help to save many jobs and businesses and help businesses to open their doors. I ask Members to bring forward any ideas they have today if they have time and, if not, I am happy to engage with them over the next week. It will be our aim to try to finish that July stimulus plan and produce it either late next week or the week after but certainly before the end of July so today is a good chance for Members to put forward their thoughts.

Senator Ollie Crowe: I welcome the Bill, which is a welcome one for SMEs. Before I commence, I thank the Minister of State, Deputy English, for coming into the House and for his detailed overview of the Bill in the past ten to 12 minutes. I also thank the Minister of State, Deputy Troy, the current Minister with responsibility for business, Deputy Varadkar, and the previous Minister, Deputy Humphreys, for their work during this difficult time in respect of SMEs.

As all public representatives will be aware, Covid-19 has been devastating not only for society, but also for our economy. As the Minister of State outlined, no cohort has been more impacted than SMEs, which are the heartbeat of the economy. They comprise 99% of all active enterprises and, one year ago, employed 1.3 million people, representing more than 50% of our workforce. Many people throughout the country have dedicated their entire working lives to building up their businesses, but through no fault of their own, the pandemic has seen them close for a long time.

SMEs are a vital part of communities and villages across the country. It is essential that the Government assists these businesses and the families that depend on SMEs. I will certainly play my part. I spoke to the Minister for Public Expenditure and Reform, Deputy Michael McGrath, about the July stimulus package earlier this week. There is an opportunity in this regard, but there are also major challenges. Naturally, it is imperative that the TWSS be extended. There seems to be an understanding that that must happen, which is welcome.

The UK applied a significant reduction in its VAT rate this week. Herein lies the challenge, and the situation must be examined. In urban areas of Galway, particularly the city centre, rate-payers face significant challenges. The increase in the number of vacant units on high streets and main thoroughfares is worrying. We must act now. It is vital that we get the July stimulus package right.

I will make a couple of points on the Bill. I speak to SME owners every day. This legislation is urgently needed and will be of considerable benefit to the enterprises that fall under the definition of “micro” - nine staff or fewer and an annual turnover of less than €2 million - and find it difficult to access commercial lending from other sources. Microfinance Ireland announced a fund of €20 million for microenterprises affected by Covid last March. It was to provide loans of up to €50,000 with a six-month interest and repayment moratorium. By 26 June, 581 loans had been approved, amounting to €16 million. That only 452 loans amounting to €6 million were approved by Microfinance Ireland during 2019 puts the situation into context. The fund is not currently in a position to take further applications, which emphasises the need for us to act urgently, as the Minister of State has outlined.

As our economy continues to open up, it is stating the obvious that demand is almost certain to increase. It is vital that SMEs can access credit. This legislation will play an important role in ensuring that credit is available. The criteria specify that the fund is for companies unable to access credit elsewhere. For various reasons, many viable businesses are finding it difficult to access credit. It is incumbent on the State to make funding available to such companies at affordable rates. The enhanced funding for Microfinance Ireland will assist microenterprises and other small companies. It is important to highlight the need for regional balance. We hear references to it every day. It is welcome that 79% of the loans that were granted in the past 12 months were outside Dublin because local economies are more reliant on SMEs. It is worth noting that nearly 80% of the funding has been outside Dublin and that is very important for the economy in the west and throughout the country.

The legislation will permit Microfinance Ireland to raise funding through the Strategic Banking Corporation of Ireland, SBCI. That significantly strengthens its funding model and allows access to relevant European Investment Bank funding through the SBCI. Aside from the importance of Microfinance Ireland as part of the overall response to assist small and medium enterprises that are struggling as a result of the Covid crisis, it has shown a steady growth over the seven years of its existence with a 7% increase in loan applications last year reflecting this. The legislation will allow Microfinance Ireland to continue that growth and to assist smaller businesses to be in credit, which is vital because the funding is required now. We hope that the receipt of such credit by SMEs will help them to survive and families and the economy overall will benefit as a result of that. The legislation will assist companies to bounce back from this pandemic. The Bill is essential and I hope it will be passed by Senators this afternoon.

Senator Pauline O'Reilly: I wish to share my time with Senator Alice-Mary Higgins. We will have four minutes each.

An Leas-Chathaoirleach: Is that agreed? Agreed.

Senator Pauline O'Reilly: I thank the Minister of State, Deputy English, for joining us today. We must point out that we have a good news story here today. This is something that businesses and communities have been coming to us about for months and at last we have some good news. When we support small business we support communities in rural Ireland. The sector has 1.3 million jobs but behind the number of jobs there are communities and people. In supporting and investing in small businesses and communities we are also supporting the environment because the way we will change the environment is by shopping locally and staying locally.

Last week I spoke to a shop owner in Galway who is hugely successful and has one of the

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best known craft outlets in the city. She said she can hold on for another two months but that is about it. Not only does she support her own workers but she also supports all of the individual microenterprises that come to her to sell their goods through her. This will give real hope to craftspeople, artists and businesses in the west.

Will the Minister of State also take into account the impact on the islands in particular? As he and all of us in the west know, the islands are going to be impacted for that little bit longer than other areas and we should take that on board when we are looking at where the funding goes. We have a unique opportunity, more so than ever before, to borrow money which can be invested in a green economy, a local economy and in communities.

I wish to make one final point to which reference was made earlier. I put on record the overwhelming support I have heard across the Chamber on a personal level for the Minister for Children, Disability, Equality and Integration, Deputy O’Gorman. It is important to put that overwhelming support on the record. When we invite people in here, we do it to debate in a professional manner on their brief, not on their personal experiences and lives outside of here. Let us invite the Minister in here but let us keep it cordial. Let us respect ourselves as professionals and public representatives and let us respect others who are watching today. We are in leadership positions. We should not let the bile from social media spill into this Chamber.

Senator Alice-Mary Higgins: It is welcome to see an approach based on stimulus. There has been recognition of and learning from some of the mistakes made in the recessions of the past. ICTU, SIPTU, the Think-tank for Action on Social Change, TASC, and other important groups have always presented the alternative and made the case for stimulus but now the OECD, the IMF, the European Commission and others recognise that it is by stimulating growth in our economy and by investing in society that we regroup and we grow. This Bill will increase the amount that Ireland engages with from the European Investment Fund and that is welcome. I hope there will be a similar approach to other funds that may be available from the EU, not only loans but also large recovery grants. I encourage a spirit of ambition and imagination from all of Government in how it seeks to engage with and channel those funds into the many sectors which need them and also into public works, public services and public employment. That is another important factor in terms of stimulus.

Stimulus is important but it is also important that we recognise the detail and that we do not introduce stimulus to sectors based on a trickle-down approach. It has been welcome that Ireland has focused through the Covid payment and others on a ground-up and integrated approach, where money is not simply channelled into extractive businesses but into businesses that are productive. It is important that attention is paid in our stimulus package to issues such as the conditions of workers. It will have to be a key focus to ensure positive, decent conditions for workers in those sectors and businesses which we are supporting. In that regard, this Bill is very welcome. It is SMEs and particularly microenterprises, the smallest businesses, that have played in many cases the most constructive roles as part of the fabric of communities under pressure at this time. Many of these businesses have made caring decisions, sometimes sacrificing profit in the interests of the health and safety of their workers and solidarity with their community. There has been a generosity of spirit and we have seen the difference in businesses which are rooted in that way, small businesses at local level right across our island including, as was mentioned, across the western seaboard.

Such care and thought will be important. While supporting this measure, I want to speak to new and imaginative thinking that may go into the work of Microfinance Ireland. I hope the

Minister of State can convey this. At the moment, Microfinance Ireland's grants are largely divided into start-up, expansion and cash flow. The Covid payments have largely focused on cash flow and that is important. I suggest that Microfinance Ireland should consider funding for transition. For many small businesses it is not about simply expansion or cash flow, but about reimagining what they do. Innovation is not simply about start-ups. Innovation happens within existing small businesses that are thinking in new ways. I would like a transition fund to be introduced, if possible. I would like there to be research into the demographics and into the question of who is accessing these microfinance grants. I say that in a positive way because they represent an important opportunity. When we look at groups in society who have faced obstacles in employment - Travellers, those who have come out of direct provision under the right to work, migrants and others - many set out on the road of starting their own small businesses not necessarily by choice but by necessity. Perhaps we could have an examination of how microfinance is supporting these different cohorts in society. That would be useful and might suggest how it could be adapted.

Flexibility around the six months of records might be needed. We know many businesses will not have four or five months of business records which are positive, so that is a key thing.

Lastly, I have a small but important point to make on public procurement. Given the kind of joined-up thinking we have seen on microfinance, there may be something that could be done to allow small companies to have better access to public procurement - perhaps, for example, through a pooling of insurance and other measures. That would be in the same spirit as this legislation.

An Leas-Chathaoirleach: Senator Murphy has five minutes.

Senator Eugene Murphy: I will not take the full five minutes; I will give some of the time to other Members. I wish the Leas-Chathaoirleach well. He will do a fine job and will have my full co-operation.

Rather than repeat everything said by my colleague, Senator Crowe, and by other Members, I will agree with many of the sentiments and add one or two remarks to them. It has been stated over and over again that we have in excess of 1.3 million people involved in small businesses up and down the country. As has correctly been said, they are so vital and so important.

I have been speaking to many businesses in my area of Roscommon-Galway over the past two weeks. The resilience is there, which is half the solution. However, they need the support of the State, and they need it in a very special way. In doing that, we must ensure, if we can, that we bring interest rates for business down even lower. We must have a mix of grants in the system, because we are facing a dilemma that we have never faced before. Every Member who spoke today has the right ideas as has the Minister but unless this is done right, we will live to regret it. It is about doing it right.

It was fantastic for me to visit those businesses with two, five, eight or nine employees, many of which are family-related and family-orientated. They want to succeed. They want to come out of this with flying colours and they need our support.

Finally, the Minister of State very kindly said to Members that he would take on board any suggestions they have and try to deal with them. I will make one suggestion, and politicians come up against this all the time. He must eliminate the red tape. If this becomes bogged down in red tape, it will be a failure and the businesses will fail. That is the key. Whatever we do to

help, the Minister of State must eliminate the red tape.

Senator Michael D’Arcy: I congratulate the Leas-Chathaoirleach, as I did not do so when we met in the Convention Centre on Tuesday. I wish him well in his term. I also take this opportunity to congratulate the Cathaoirleach and wish him well in his term. While I am congratulating people, I would say to the Minister of State, Deputy English, that his appointment to the Department of Business, Enterprise and Innovation is welcome. I know him to be a practical person, which always helps in that area in particular.

I wish to start by quickly analysing the scale of the pandemic’s impact. At the peak of employment about four or five months ago, we had 2.2 million people at work, both part-time and full-time. At the peak of the payments from the Department of Employment Affairs and Social Protection, we had almost 1.2 million people on a social protection payment of some nature. That meant we had 1 million remaining in work full-time and being paid, of whom about 300,000 were public sector employees. That puts into perspective the scale of the number of people who are working in private enterprise and keeping the system going. It is about 700,000 people, and there are almost 5 million people in Ireland. That cannot continue because the employment triangle will tip over. As such, everything revolves around getting people back to work and that is what this small piece of legislation is about. It is about providing funds so that businesses have the opportunity to draw down moneys.

There is a caveat here that I am really concerned about.

Many businesses do not want to go into further debt by borrowing money or taking out more loans because they potentially have too much debt already. I will come back to that point later but it is something we cannot ignore.

I welcome the legislation. I recall the legislation being passed in 2012 and the reason for that was the banks did not have the moneys to lend at that point, which is different from the situation today. The banks have funds to lend and their capital ratios are quite strong. We are now entering a period of uncertainty for people’s businesses and employment. The banks could have a significant problem with mortgage payments if jobs are lost as that will eat into their capital ratios. There is even more uncertainty regarding businesses because if they close, that will also eat into the banks’ capital ratios and their ability to lend. That is why this legislation is so important. The moneys in question are small but they are only one tool in the kit that will be required. We are told that the July stimulus is two weeks away but that is only going to feed into the stimulus for budget 2021, which will take us up to 18 months from now. The crucial aspect of where we are is that if we fail on jobs, everything else will fail. Our tax take, the banks’ ability to lend and people’s ability to put cash back into the economy, whether through coffee shops, the hospitality sector or any other sector, will fail as well. The Minister of State touched on the importance of the SME, microfinance and FDI sectors. They are all intermingled and there is no escaping the fact that we have to be successful in all of them because if one falls, it will create a domino effect through the other areas, which will not be pretty.

As regards the legislation, I welcome the increase of €70 million to go into the pot. I also welcome the ability to borrow beyond for Science Foundation Ireland and moving to the SBCI because again that will mean more ability to lend. Senator Higgins mentioned flexibility and made a point about additional transition criteria. We should remove those because it means there are boxes to be ticked. Some businesses may not be able to tick a box and that creates a

difficulty for the people processing the applications. It is essential that we remove the criteria. Senator Murphy referred to removing red tape. We have to do that. We want to be able to get this money out quickly and easily in order that businesses can move on.

The Minister of State mentioned the two aspects of the rates rebate scheme. Last year's restart grant of up to €10,000 was very welcome. However, some businesses have a large staff but may have paid low rates, so that does not help. Someone might have had seven to ten staff but only paid €2,000 or €3,000 in rates. It is not good for those staff. I believe that the extension of the three-month rebate has to occur. We should provide certainty, and the extension of the rates rebate should continue to the end of the year to then be decided based on budget 2021, which is not too far away.

There are two economies in Ireland: Dublin and the rest of the country. We need to have a different view for the rest of the country because it is not in the same category as the economic engine of a single urban area of more than 1 million people in the greater Dublin area. We need to look at that. It is something we need to be sure about in the July stimulus.

The temporary wage subsidy scheme is how we are putting money into businesses but we need to remove "temporary" and it needs to become a wage subsidy scheme. I do not know for how long or how much money will be involved as this will depend on the virus. It will depend on the extent to which the pandemic comes back and has further impact on the entire country or, potentially, some areas. We see in other jurisdictions that localised lockdowns have been required. We need to make the decision, and if there are localised lockdowns throughout the country we need to have a pot of money for those businesses in particular because this will determine the success or failure of employment. Without employment the dominoes will fall. As we saw when the dominoes fell in 2008, which flowed into the end of 2010 and the legislation in 2012, sometimes they cannot be pulled back.

Senator Paul Gavan: It is nice to see the Leas-Chathaoirleach in the Chair and I congratulate him again. I welcome the Minister of State and I congratulate him on his reappointment. This pandemic poses an existential threat to thousands of small businesses and microenterprises throughout Ireland. Microenterprises and small businesses represent the inner core of Ireland's indigenous economy. They are the beating heart of our communities and the building blocks of our local economy. They are the hairdressers, mechanics, tradespeople and entrepreneurs that have served our communities and make Ireland a vibrant and colourful place to be. Therefore, it is essential for the economic and societal well-being of our country that these enterprises are given the support and solidarity they need to survive and thrive in this challenging time.

The losses incurred as a result of Covid-19, coupled with the sharp downturn in consumer spending domestically and internationally, present an overwhelming obstacle to many, if not most, of these microenterprises. Financial losses incurred during lockdown and the continued slump in consumer spending have resulted in a substantial cash flow problem for many of our businesses. From speaking to businesses in my village of Castleconnell, I know many of them are genuinely concerned about whether they can reopen and, if so, for how long. Overcoming this cash flow problem is key to giving these businesses the best chance to survive this pandemic. Strong State intervention is needed as a matter of urgency to provide the support these businesses need to overcome the Covid-19 challenge. This means the Government must step in to provide the liquidity supports and access to credit lines needed to rescue these enterprises.

Something that strikes me, and it has been referenced by a number of speakers already, is

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that while we welcome the Bill and Sinn Féin will support it, we need to do more to address the liquidity challenge. To be frank, we need to be looking at grants to businesses to get them over this very difficult time. The previous caretaker Government made an attempt to provide these urgently-needed liquidity supports and credit lines. The difference from our point of view is that supports in their present form have generally been inaccessible and ineffective for many microenterprises and small businesses and I will explain why I believe this is the case. This means that at this crucial time many enterprises are going without the supports they need to weather the storm.

I welcome the Bill as it is important to make these much-needed loans more accessible to those most in need of support. Unfortunately, the application of commercial level interest rates to Government loans has made many of the loan schemes unattractive to microenterprises and small and medium enterprises. My colleague, Deputy Louise O'Reilly, spoke to the Minister of State about this. Yesterday, we tabled an amendment in the Dáil to ensure moneys loaned to microenterprises are loaned interest-free with zero repayments for the first 12 months of the loan and that interest rates on such loans are capped at 2%, with interest only being applied to cover the overheads of administering the scheme. I believe the Minister of State gave a very positive indication, and I hope so, that secondary legislation can be applied. This approach is already in place in Britain with the bounce back loan scheme for which there are no repayments for the first 12 months and not six months as is the case here. The British Government also covers interest payable to the lender for the first 12 months and not six months. The interest rates in Britain are set at 2.5% per annum rather than the 4.5% to 5.5% being charged here. We have to recognise that interest rates of 4.5% to 5.5% are not a runner in terms of the challenges that small businesses face at present. This approach can and should be emulated on this side of the Irish Sea. The Government has the ability to borrow money at very low rates, as confirmed by Mr. Frank O'Connor, director of funding and debt management at the National Treasury Management Agency. Mr. O'Connor stated his and the NTMA's belief that the eurozone area has had interest rates of 1% or lower since 2010, moving towards 0% and then negative rates since around June 2014. This highlights the fact that the banks are doing us a huge disservice in the interest rates they are charging. As such, the Government can afford to pass on the low interest rates at which it can borrow to microenterprises and SMEs. There is no economic basis for the existing policy of charging commercial rates on these loans.

Another issue with the existing scheme for microenterprises is that banks are risk-assessing loans as if the Government was not guaranteeing the loans, which creates another barrier for SMEs seeking to access loans or credit. These stories have tallied with work carried out by Sean Pollock in the *Sunday Independent*. The paper spoke to several businesses and advisers who share concerns about the State's Strategic Banking Corporation of Ireland scheme. Microenterprises have reported a range of problems with the scheme, including: long processing times for applications; the process being complicated, echoing some of the points Senator D'Arcy made; banks changing repayment terms; and companies being rejected, some being told the scheme was fully allocated. These issues are a result of the Department playing no role in the application or decision-making process for the scheme, which is fully delegated to the participating lenders.

As the Unite union outlined in its paper, *Hope or Austerity*, the banks that administer the scheme also make the decisions as to whether or not to issue loans based on their own criteria for loan issuance, not those of a Government Department trying to keep microenterprises and SMEs afloat during a global pandemic. There is clearly something very wrong here. There is

a mismatch. The policies of the banks do not align with the intended purpose of the scheme, which is to provide emergency support to struggling businesses. There has been consternation among microbusinesses and SMEs about the State response to the difficulties they face as a result of the pandemic. The research from representative bodies of microbusinesses and SMEs indicates that if the State response does not change, it will have significant implications for businesses across Ireland and, consequently, also for employment levels. This is worrying, given the enormous challenges that lie ahead as the country emerges from the shutdown. These issues surrounding the implementation of the various Government schemes have been pointed out by SMEs and their representative groups. The longer they go unaddressed, the more it looks as if the Government policy is to provide funding for microenterprises and SMEs in theory but to make sure that funding is almost impossible to access in practice.

In summary, we welcome this Bill to expand the Microfinance Ireland Covid-19 loan scheme and the future growth loan scheme and will work towards its passing. I must stress again, however, the importance of rectifying the outstanding issues with the Government schemes. They must be corrected in order to streamline access to working capital for microenterprises and deliver a fair and sustainable economic recovery.

One last point I will make concerns the broader issue of the July stimulus. The Minister of State said he would welcome suggestions. We need to make sure, first, that we provide sufficient supports but, second, that those supports reach the front-line workers involved. I will give the Minister of State one example: the hospitality industry. Clearly, it faces a major crisis right now and needs supports. We know, however, that there has been a problem in that industry for years - decades, frankly, but particularly in recent years - of low pay and insecure contracts. We need to ensure that, hand in hand with supports for the hospitality industry, there are real supports and recognition for workers' rights in that industry. We know, for example, that the employer groups have refused for years to engage in the joint labour committee process. Now is the time to ensure that, as we build in supports for key sectors such as hospitality, we build in key supports for the front-line workers who supply those services and who are very much at the cutting end of the current crisis.

Senator Timmy Dooley: I am glad to have the opportunity to contribute to this debate, and I thank the Minister of State for being before the House. The reality is that small to medium-sized enterprises are the backbone of our economy. Many of them are struggling through no fault of their own but as a result of a decision the Government took effectively to shut down the economy in the best interest of public health. However, we have to be careful. Loans are not the way forward for the vast majority of these companies. While the measures in the Bill are welcome, they put a debt burden on the shoulders of small operators that have come through a difficult period. We are all aware of and understand the financial crash of ten years ago. Many of the small to medium-sized enterprises were just starting to crawl out of the ashes of that crisis. Taking on another debt burden, at between 4% and 5%, is certainly not acceptable. We have to look at how we can reduce those to close to zero rates in the full knowledge that we are supporting a recovery in the economy. These people are prepared to put their shoulders to the wheel to work really hard to re-establish their businesses.

We also have to look at some of the other grant supports. The criteria for those restart grants are effectively too tight. I spoke yesterday to a number of small operators. I will give the example of one, an individual who is involved in the pony trekking and horse trekking business. His business is eliminated. He was providing that service to American tourism operations where a lot of Americans were coming in to a particular hotel and he provided his services

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around it. He does not fit the criteria to get the funding but he still has 20 or 30 horses that have to be maintained. He will not see any recovery in his business or any cash flow at all from that business, perhaps until sometime next year or until a vaccine or cure for Covid-19 can be found.

The leisure, hospitality and tourism sector is particularly vulnerable at this time. We may see some activity happening within the domestic economy within the next five or six months, but the tourism window is a very tight window. There is the end of August and the shoulder period into September. That is it. If tourism operators have not made their moneys in that period of time, they are in real trouble. Another loan will not allow them to survive the winter and be ready to restart. It is not only the business itself, but the really negative impact on the wider economy as we head into next year, that we have to look at.

The Minister of State asked for ideas around the July stimulus. In that regard, one may look to the tourism sector as well, and to infrastructure into rural areas. I and others met with a number of local villages in the constituency that I know best, that of County Clare, where their sewerage schemes have fallen outside the remit of Irish Water in recent years because of the size and scale of operations that they are trying to partake in. At a time when people are starting to reflect about working from home and perhaps moving away from the large centres of population in the hope that they can work from home, smaller villages have the capacity to provide those living arrangements. However, many of them are unable to provide planning. Quite frankly, the infrastructure is not there. For example, in Clare, villages such as Broadford, Carrigaholt, Labasheeda, Cooraclare and Doolin have been waiting a lifetime to see investment in their infrastructure and all of that was wiped away with the establishment of Irish Water and the major projects that it had under way. I would suggest to the Minister of State one of the areas to look at would be a devolved grant given to the local authorities and allow them to progress these projects at arm's length and get it done. That can be done quickly. Much of the lands were already purchased. The plans are in place and the local authority could move on it.

There are also a number of shovel-ready projects in the county that I represent. There is one in Senator Conway's backyard, up at Lahinch Seaworld. I spoke to Councillor Shane Talty there over the past number of days. They are ready to go. They need a couple of million euro. It would be a phenomenal way to employ local people through the winter period when there is nothing happening in the tourism business and we could drive it on.

On the eastern side of the county, Inis Cealtra - Holy Island - has an imaginative project around attracting local, domestic tourism. It is about putting in place a visitors centre to recognise the heritage that is there. With these kinds of projects, while really worthwhile for the long-term future development of our tourism infrastructure, we can now assist in terms of creating employment in local areas to benefit the wider economy and the local community.

Senator Martin Conway: I will pick up on Senator Dooley's point. The project the Senator mentioned in Lahinch has benefitted already, in terms of the previous Government, with a grant of €2.7 million but there is a deficit there of €2 million. In order to create a gold-plated facility, such a scheme would be welcome. It was funny that this week last year Lahinch in County Clare hosted the Irish Open, which was a phenomenal success and generated worldwide coverage of the village and the entire west coast of Clare. Fast-forward 12 months, we see the situation we are in now. The purpose of this legislation is to deal with the new reality, or, as it is often called, the new normal. I welcome this Bill because it will provide practical support for small and medium businesses throughout the country.

We are fortunate to have the Minister of State heading up this legislation. I do not think anybody would question or doubt his ability to get things done because we witnessed how he performed when he was a Minister of State in the Department of Housing, Planning and Local Government in recent years. Some 50,000 houses have been built since 2016. Listening sometimes to the media narrative, however, one would think no houses had been built, but the reality is that 50,000 houses have been. I acknowledge the central role played in that by the Minister of State. I congratulate him on his new role in what will be a challenging and difficult but very rewarding and exciting portfolio, which he will drive with the Tánaiste.

The legislation is critical because it will provide a cash flow for businesses, which ultimately employ more than 1 million people. Looking back to 2010, 2011 and 2012, we had a different *modus operandi* to deal with that recession. We learned much from that and we recovered from that recession. Many of the businesses that will benefit from this legislation only found their feet in the past three or four years, started to make a few quid and began to avail of the opportunity to reinvest. Then they were subject to this hammer blow in recent months, and it is only right and proper that we pass this Bill to make liquidity and cash available to them.

One good thing we have done in this House over the years is that we have listened to and taken on board sensible amendments. I listened carefully to Senator Gavan's proposal regarding a 12-month period where people would not be expected to make repayments. I refer to trying to keep this cost neutral, in the sense that there would not be an interest rate *per se*, but more of a handling charge to ensure that the operating costs of the scheme are covered. I think I am correct that the Minister of State is favourably disposed to accommodating that type of proposal. The idea of the Seanad is to improve legislation and Senator Gavan's suggestion is extremely sensible. If it can be incorporated in this legislation, that would be great, but if not, it would be even better if it could be incorporated into subsequent legislation.

The Minister of State asked for suggestions regarding the July stimulus. Many practical things can be done. I have no doubt that the Minister of State is well aware of these, but one thing that would inject enormous energy into the tourism sector is if there was a 0% VAT rate for the next 12 months and certainty regarding a reduced VAT rate for five years. Hotels and restaurants would then at least know they would pay either the 9% or the 5% rate until 2025.

Those businesses could then do their financial planning and put their business plans together on the basis that they would know the VAT rate. That is only a small thing, but it is critical. Every €1 million at a VAT rate of 13% amounts to €130,000 for a business, whereas if the VAT rate is 9% then we are talking about a saving of €40,000 immediately. That saving can then be channelled into improving, developing and marketing the business. There are, therefore, many challenges and many ideas. It is something I will bring up with the Leader. We should have an ideas forum here, perhaps next week, where Members with practical suggestions on what should be included in the July stimulus would have the opportunity to articulate them. There are many ideas and it is a cocktail of all the good ideas here brought together that will work and contribute to rebooting the economy and ensuring the July stimulus will be the pathway going forward.

An Leas-Chathaoirleach: I call Senator Wall who has eight minutes.

Senator Mark Wall: I welcome the Minister of State to the House. I congratulate him on his appointment and look forward to working with him over the coming period.

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The importance of local businesses to our local economies and community life cannot be overestimated. These same SMEs, we are told, employ 58% of the total workforce. Many of these are long-standing family-run businesses and play a vital part in the economic and social life of our communities. In my hometown of Athy, and I am sure it is the same all over Ireland, it is often these businesses that communities and sporting groups go to for support in the first instance, and now these same businesses need State help given all this pandemic has thrown at them.

I am sure the Minister of State will agree that it is these same small community-based businesses that have come to the fore in this pandemic, providing the outlet for many necessary supplies for families that were almost housebound and at the most difficult time for our country. Of course, many communities continue to wait in anticipation for many more of these businesses to open.

I want to take this opportunity to thank all the local enterprise offices, LEOs, throughout the country. The Minister of State will know well the great work LEOs put into assisting and preparing the applications of these loans for so many SMEs, and the work they have continued to put in on a daily basis. Other Members have referred to red tape and the Minister of State will be aware of the amount of documentation to be completed in applying for this loan. It can be off-putting, I am sure, for applicants in the first instance, and it is safe to say that without the help of our LEOs many, perhaps, would not have applied at all. It is an area the Minister of State could look at with his Department.

The Department should look at the eligibility bar of ten employees for this loan. The Minister of State will be aware of the importance of every job to the State at the moment, and many SMEs will say that 11 to 15 employees should be the cut-off point when availing of and applying for this loan at a time when these companies need this type of loan so much.

In my county of Kildare I want to acknowledge the great work of Ms Jacqui McNabb, head of enterprise at the Kildare LEO, and her staff, who helped many businesses throughout Kildare, particularly at this difficult time. The Microfinance Ireland, MFI, loan has resulted in the Kildare LEO processing, I am told, 31 applications to date in 2020, of which nine applications have been allocated loans to a value of €330,000, with a further two applications pending and 13 ongoing and outstanding cases.

I welcome that the Minister, Deputy Varadkar, highlighted the real concern we all have about youth employment when he moved this Bill. I am sure the Minister of State will agree that when we learned over the weekend from the National Youth Council of Ireland that 45% of young people under 30 were unemployed it was a serious statement that needs to be addressed. If we add that up to 40% of young people in employment are in insecure work, it paints a worrying picture as we look to the future in post-pandemic Ireland.

The Minister, Deputy Varadkar, stated that the July stimulus package would focus on youth unemployment. We in the Labour Party welcome this direction and wait to see what supports will be put in place, but stress that we cannot return to an economic model that allows 40% of our young people to be employed in insecure work. The young people of Ireland need an employment stimulus. Their futures are important to all of us.

While we welcome and support this Bill and note that it is enabling legislation, there are, as I have already stated, elements of the microfinancing loan fund that need to be enhanced and

improved. The Labour Party suggested in the Dáil that the figure of €50,000 is inadequate and should be increased to €100,000. As other Members have said, we consider the interest rate of 4% plus to be too expensive at this time when borrowing rates are low. This must be part of a suite of assistance at this time for local businesses. We know how important this loan scheme is for rural Ireland, as 80% of the applications are from outside of Dublin. Our rural towns are dependent on small shops and businesses for their economic lives. These loans can make a difference for many SMEs that continue to provide much-needed employment. We wish those businesses that have reopened recently well and assure them that we will support them like they have supported our communities in the past.

Senator Pat Casey: I congratulate the Minister of State on his new appointment. I welcome the Bill. The SME sector was probably the sector hardest hit by the last crash. As we know, most SMEs are small family-owned businesses with a few employees. They suffered the most. There was no back-up support or social welfare for them when their businesses closed. They had nothing to hang onto. When they went to banks, the doors were closed. Just a couple of years previously, the banks had been throwing money at them. There was no funding to keep them afloat and they were treated terribly by the banking industry at that time. A lot of them used their pension schemes or their children's education funds to stay afloat and keep their employees engaged.

I welcomed the establishment of Microfinance Ireland in 2012. It was a good initiative that was badly needed at the time. Today I welcome the increase in funding from €35 million to €105 million and the potential to access additional credit also has to be welcomed. A number of people have already stated that flexibility is needed and that we do not need to put businesses in boxes which mean they do not qualify for loans. Bureaucracy has been mentioned.

The restart grant has been managed through local authorities. In my experience with the SME sector, it has worked very well. The process was simple and was not bureaucratic, and applicants were dealt with efficiently. Most businesses have the money in their pockets today. We need to make sure this money is used to ensure the viability of these businesses into the future, which requires various measures that cannot be prescriptive. That is why we need flexibility.

As everybody has said, SMEs are the heart of our rural communities. Microfinance affects rural Ireland more than the cities. Barbers, garages, shops and coffee shops can avail of this funding. It is to be hoped that the Bill, if passed, and the subsequent announcement will make microfinance easily accessible to them and be heavily promoted.

Senator Barry Ward: Cuirim fáilte roimh an Aire Stáit agus tá súil agam go n-éireoidh leis. Tá a fhios agam go bhfuil an-suim aige sa ghnó, fiontar agus gnó áitiúil. Tá súil againn go n-éireoidh leis ina phost nua agus táim ag tnúth go mór leis an obair a dhéanfaidh sé ansin.

The Minister of State told us about how important SMEs are, and there is no doubt about that. They are one of only a handful of serious pillars that hold up the economy of Ireland and it is important to recognise how much they mean to the success of the economy and, in particular, the recovery. I am also conscious that it is easy to forget SMEs because we hear so much about large job or industry announcements which is understandable because they bring with them growth and opportunity.

When we look at what SMEs bring to the economy, we must also have regard for how much they do for local economies. Small enterprises are much more likely to be owned by local

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people, employ local people and use local services, and keep their profits to spend locally rather than repatriating them to other countries. The benefits go beyond the figures we have heard in terms of their financial contribution to the economy. We must home in on how much they do for communities and small towns and villages throughout the country.

Reference was made to how much of the money provided by Microfinance Ireland has gone to small businesses outside Dublin. Four in five loans are given to enterprises outside the capital. That is welcome because it makes small towns and villages sustainable in a way that they would not otherwise be without such financing.

I wish to raise a number of issues with the Minister of State. Dún Laoghaire has by accident or organically become a hub for ecommerce and tech industries, and there are a number small enterprises in Dún Laoghaire. A couple of years ago we had a plan to populate the old ferry terminal with the harbour innovation campus that we hoped would attract a huge number of new start-ups in the sector. Unfortunately, that did not happen but the terminal still exists. The chief executive of Dún Laoghaire-Rathdown County Council is working very hard to put in place something to replace the hub idea and build on the expertise that exists in Dún Laoghaire. I ask the Minister of State to focus on these clusters that exist throughout the country, including the one that I have mentioned, so that we can support the growth of the industry and its SME sector.

Today's Bill is very important but the way it has been drafted understates its importance and opportunities. For example, the use of the word "subsidiary" throughout the Bill instead of "Microfinance Ireland" makes it very difficult for ordinary citizens reading the Bill to assess the opportunity and potential of the legislation.

In terms of the impact of the legislation, reference has been made to the terms on which these loans will be granted. Is the Minister of State in a position to advise this House as to what the terms are likely to be? I presume it will be done through regulation by his Department. Has consideration been given to some of the suggestions made to improve the terms?

Reference has been made to the banks. The commercial and retail banks in Ireland give a very poor service to the SME sector. As has been said before, retail banks are the kind that gives a person an umbrella on a sunny day but wants it back when there is rain. I am afraid, from what has been said to me, that that has been very much the tone when banks deal with SMEs and getting finance in a post-Covid environment has proved incredibly difficult. We need organisations like Microfinance Ireland to step in and fix the problem.

The Industrial Development (Amendment) Act 2019 was passed just before Christmas and it provided for the Minister to activate the loans, which was not done until the end of April. When will the money become available? Can the Minister of State address the issue? Given the provisions in section 9 of the Bill before the House, can he say when it is likely that the regulations to enact the relevant sections, particularly section 3, will take effect?

Senator Victor Boyhan: I welcome the Minister of State to the House. We soldiered together for a few years on housing and he was a very formidable Minister of State. I am delighted that he has been reappointed a Minister of State, particularly in this area as I know he has a strong record in enterprise. As a rural man who represents part of the constituency of Meath, he would be very aware of the difficulties that are faced by small enterprises.

I want to concentrate on the significance and importance of the microenterprises that employ fewer than ten people. We all know that Covid-19 has wreaked havoc on small businesses,

which have struggled for a long time. As somebody else said earlier, many of these small business entrepreneurs are enthusiastic, buoyed over and committed. Many of the businesses in Ireland, particularly small businesses, are family-run businesses and many of them are run in line with other businesses. Earlier I spoke about agriculture and farm incomes and there has been a great growth in artisan enterprises, foods and markets. These are small businesses that started at kitchen tables and grew and expanded. I wish to acknowledge the work of SuperValu, particularly in the agrifood sector. SuperValu has a very strong record in promoting artisan enterprises, which should be acknowledged.

Let us talk about microfinance but use simple language. We have talked about the importance of liquidity to support small businesses. Let us start with small enterprises because they are the focus of this legislation. However, we also need to encourage innovation and entrepreneurship in every aspect and I see people around me here who have a strong record in entrepreneurship. It is fabulous to see these people taking their places in Seanad Éireann and I hope they bring those skills and their enthusiasm for business to the job at hand because unless one is enthusiastic, has belief and is hungry to succeed, one will not succeed at business. That is the reality of it and that is important.

It is interesting when one looks at statistics, and I want to acknowledge the work of the Oireachtas Library and Research Service before I go into the matter of the local enterprise offices, LEOs, because as the Minister of State knows, and as many of us in this House should know, this Bill was not subject to pre-legislative scrutiny so it was critically important that we had an independent assessment of it. The Oireachtas Library and Research Service did this by producing a paper on it and I acknowledge the enormous amount of work it put in to assist us in our parliamentary work and duties in scrutinising legislation. It is an important facet of the organisation that is the Houses of the Oireachtas and I want to acknowledge that.

I want to go back to the LEOs because one of the things we have noted about this Bill is that the highest percentage of introductions for this microfinance is coming from the LEOs. We need to look at the LEOs again and see how can we empower them and give them more support, as well as giving them more discretion in building out relationships with local people. There is no one better to develop relationships in local communities than local councils and local authorities. They have functions in planning and in a range of issues, including rates, which are an important factor for enterprise and for the survival of businesses at this point in time. We can talk about telling local authorities nationally to cut the rates and that is all fine but how will they survive? We have to think all of this through, and while I would encourage rates being dropped and waived in certain circumstances, the Government or someone else has to step up to the plate to substitute that income to all 31 local authorities and I am keen on supporting local authorities in their work. When we talk about small enterprises, we are talking about the small shop, the hairdresser and the small garage in a little village or at a crossroads. That is important. Earlier, the issue of sustaining small villages and communities was mentioned because this is how it will happen. It is about sustaining our small villages, families and farms and looking at everywhere we can sustain enterprise and give people access to credit and support to do that.

I have a particular interest in the agriculture sector and I will talk about that in a second. I want to see the growth of the Irish horticulture sector when it comes to enterprise. I repeat what I said earlier this morning, that there are only two sentences and one short paragraph on horticulture in the programme for Government. I took the time, as did my secretary, to do a word check on it when I left the Chamber this morning. I repeat for the record of this House that there are two sentences and one paragraph on horticulture in the entire programme for Govern-

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ment, which should have and rightly does have a strong green tinge to its make-up and policy. I want everyone in here who is involved in government, including those in the Opposition, to look again and see how we can beef that up. How can we support the agrifood and horticultural sectors in this matter?

I want to go back to the document that was prepared for the Bill digest because it makes for interesting reading. It states: “It is expected that more measures will be introduced such as a €2bn credit guarantee scheme and the €2bn tax deferrals but these measures will need further legislation.” The Minister of State might touch on that. I do not expect him to go into detail. I found it interesting that in this qualitative work and research that was presented to us this week, there was a summary given on the performance of Microfinance Ireland since its establishment, which was in 2012 as the Minister of State knows, and this brings us up to 31 December 2019. I will not go into this at great length but I have plenty of time on my hands. We can see that 5,557 applications were received. We know that loans to a value of €34 million were approved. We know that 6,000 net jobs supporting 2,403 microenterprises were sustained from that. There was a 44% approval rate. Alarm bells should be ringing at that. Why was there only a 44% approval rate and how can we improve that? It is important to examine how we can assist people to get the approval rate higher. The value of the loans drawn down was only €29 million, which is interesting given that €34 million was approved. There is, again, a weakness in that regard and we need to focus on it. The average loan size was €14,000, which is not a lot in the bigger enterprise picture. Some 83% of approvals were granted to businesses employing three people or fewer and 54% of approvals were granted to start-ups. As other speakers stated, there is a good, wide geographic coverage, with 21% of loans granted in Dublin and 79% in the rest of Ireland. Agriculture, forestry and fisheries at 4% are at the bottom of the league table of successful applicants by sector just below information, science and technology. They are two sectors we should expand.

I encourage every Member to go on the *microfinance.ie* website and see first hand the personal testimony of so many people who received financial assistance and read how it changed their lives and their incomes. This is a success story and the Bill has my full support.

Senator Garret Ahearn: I welcome the Minister of State and congratulate him on his appointment. It is a Department that will be extremely important in the next couple of years and I am sure someone with his drive and energy will be a success in it.

I welcome the opportunity to contribute to the debate on the Bill and the expansion in supports it brings about through Microfinance Ireland. Given the vital measures it contains it is very important that the Bill progresses through the Seanad as quickly as possible to support microbusinesses. The legislation is one of many vital Bills being introduced by the new Government, which highlights the importance of having the new Government in place.

Public health is rightly the most important concern at this time. However, the pandemic has had a significant and serious impact on small businesses, in particular on microenterprises. I pay tribute to the resilience of so many businesses that have survived in towns and villages. In many cases they have successfully reinvented themselves in various ways. I am most impressed at the rapid response in my county of Tipperary, which I am sure has been mirrored throughout the country. Many businesses embraced the new world of remote working for the first time.

One concern I hear from business owners in Clonmel and in other towns in Tipperary is that the trading online voucher scheme appears to have dried up. That is a matter of great concern

to businesses that are putting their shoulder to the wheel to serve their customers, keep their businesses afloat and retain staff. A large volume of business is done online in the retail sector. Some 70% of that is based outside Ireland. The trading online voucher scheme enables businesses to get online and provides access to support, mentoring and finance. I appeal to the Minister of State to examine the situation and, if possible, to rectify it.

Speed of access will be critical to assessing loans and grants. It is necessary that businesses get funding quickly and that the process should be simple and clear. Access to funding is critical to the survival of businesses. I am very hopeful that the Bill will help to allay some of the fears that exist but we will need to see more supports in the coming weeks. I hope the expected July stimulus package will address some of those concerns and I look forward to outlining issues in that regard to the Minister of State in the coming weeks.

Tipperary relies on agriculture, tourism and small businesses. The food and accommodation sector has probably been the hardest hit. We must acknowledge the value of those businesses to the economy. We must protect them and, in doing so, protect local economies, families and communities while maintaining social cohesion. The money spent in small, local businesses such as those in Tipperary is kept locally.

The Bill offers a welcome channel of finance for small businesses for anyone who wishes to avail of it. Smaller operators who do not have the resources are experiencing a significant and disproportionate impact. Microenterprises and other small businesses, many of which are family run, need support. This Bill forms part of the solution and I wish it well. I encourage everyone to apply for and draw down the funding as one of several supports for their businesses. I fully support the Bill.

Senator Róisín Garvey: It is an honour to speak in this room. It was quite humbling to walk in the door. It is an honour to have the Minister of State present. I congratulate him on his new position and look forward to working with him.

Coming from a small village in north Clare, all we have ever had are microenterprises. There are just about no multinationals anywhere along the western seaboard from Kerry up to Donegal. Microenterprises are the original circular economy. Someone goes to a local butcher or corner shop, picks up a newspaper and drops money in, and that money goes into the business owner's pocket and his or her kids get to go to school, to dancing classes and so on. As a nation, we must move towards a circular economy if we are to maintain our sustainability. It keeps jobs, people and money local and is the bedrock of resilient communities. Any community that has a lot of small businesses is much more resilient than communities in places like, for example, Limerick and Shannon where large multinationals that had been providing hundreds of jobs decided to go away overnight and left very little in their wake save for the devastation caused to thousands of lives, not just of employees, but of their families and the small businesses they supported through their incomes. A circular economy helps to protect communities from an over-reliance on multinationals. This is a major factor. The more reliant we are on small enterprises, the more long term, safe and secure our jobs can be.

Those who own microenterprises are hard-working people. I have worked in the SME sector and the Civil Service sector. In some ways, there is no comparison. As a civil servant, one clocks in at 9 a.m. and out at 5 p.m., has a pension and so on. I come from a family of small business owners. They and many of my friends work seven days per week from 7 a.m. until midnight trying to keep their jobs and the jobs of their small number of staff going. That is

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significant, so when we debate Bills like this one and design packages, we must listen to such people more than we do to the civil servants by whom we as politicians are now surrounded. We must listen to the people we are trying to support. Otherwise, any stimulus package we provide will be too complicated and will fail.

This is an excellent Bill on paper. If it passes, though, I will suggest something to ensure it manifests as easily as possible. We have excellent local enterprise offices, LEOs, but we are in a jobs emergency. Can we get LEOs to employ someone just to deal with the bureaucracy involved? It is the greatest pain in every small business's life. Businesses never say, "Oh great, there is a grant." They say, "Oh no, more paperwork." LEOs are the best fit. Perhaps we need to place in every LEO an extra staff member whose only purpose is to help with an onerous task that every SME is already familiar with, that being, the paperwork needed to get a grant.

Like other Senators, I wish to discuss the microfinance loans and the crazy interest rate. Back in the day, the State bailed out the banks. Perhaps it is now time for the banks to bail out microenterprises and other small businesses. It cannot always be about the banks making profits. They make their money from lending to small businesses. It is now time for them to step up to the plate and offer 0% or low-rate loans. Surely the Government, which bailed out the banks, has some power to insist on that. We cannot continue with a high rate of 5% or 6%. It is not feasible. The last thing small businesses need is to owe more money. The Government and we as politicians must use our powers to put pressure on banks to offer loans at 0% or, at most, 1% or 2% interest. The current situation is unfair. We are in an emergency, so this calls for emergency measures and the use of our power over the banks.

Bureaucracy is a major issue. Businesses are under stress as matters stand. I am glad that Senator Dooley raised the matter of water. We have small businesses that were not open for three months, but when they finally opened their doors, they had no water. There are so many issues facing small businesses that the last thing we want to do when providing financial assistance is place them under more stress because of paperwork. I would happily work with the Minister on this. The idea of putting an emergency turnaround to support the LEO is important. I was involved in a stimulus for small businesses called Lean on Me with Joe Brooks, whose idea it was, and a few others in Limerick. They turned it around in one week. It is an online platform that has led to hundreds of thousands of euro going into small businesses and it gave them a free platform. If we as volunteers can do that in a week, surely a Government with agencies and all supports can not only pass this Bill but ensure that it is an easily accessible financial stimulus that is needed more than ever at this time.

If we are supporting big tourism businesses, we should make sure that crafts or foods they sell are sourced locally. I was in a tourism business recently that was selling cookies or biscuits made in New Zealand and milk made in England. My God, if we cannot supply our own biscuits and milk in this country, we have serious problems. The farmers are not getting paid enough for their milk. Let us get the businesses we support to use local businesses to create positive ripple effects.

Senator Seán Kyne: I welcome the Minister of State, Deputy English, to the Chamber and congratulate him on his reappointment as Minister of State in this new Department.

I welcome the opportunity to speak on the Microenterprise Loan Fund (Amendment) Bill 2020. It is clear that Microfinance Ireland has been a success story since its establishment and has been supporting microenterprises across the country to access credit where they have been

refused by financial institutions. Microenterprises are evident everywhere across our communities. They provide employment, goods and services. With not more than ten workers, microenterprises are the local businesses in our towns, villages and cities. When microenterprises fail, there are knock-on consequences for both the wider economy and for communities and it is in all our interests to ensure that such businesses are supported.

Covid-19 has had a huge impact on all businesses and continues to have an unprecedented impact on our country, in particular on businesses and jobs. I think we have all spoken to business owners - I certainly have, in Galway and elsewhere - and they have told us of the catastrophic impact of Covid-19 on their businesses. Few sectors have been untouched and some of them have been devastated by the pandemic and the necessary public health restrictions. Tourism, hospitality, transports, arts, culture and others are sectors in which organisations are fighting for their survival. I will highlight the impact in my own city and county on some of the staples on the calendar including the Galway Races and other racing festivals across the country, which are closed to spectators; the Galway International Arts Festival; the Galway Film Fleadh, which is moving online; the Connemara Pony Show and all pony shows; and Galway 2020, which is postponed to later in the year and 2021. The impact of these annual festivals up and down our country is huge. The impact that Covid continues to have on microenterprises is huge.

The previous Minister, Deputy Humphreys, and her team in the Department designed supports for businesses and they were ably assisted by organisations such as Údarás na Gaeltachta, local authorities including the LEOs and others to help businesses protect jobs day in, day out. Supports are varied and include the temporary wage subsidy scheme, the pandemic unemployment payment, the short-time work support, the credit guarantee scheme, the working capital scheme, the sustaining enterprise fund, the online retail scheme and the restart grant. There are dozens of programmes and schemes that are helping businesses and protecting jobs around the country. Some of these schemes are not perfect but they are essential if we are to weather this Covid-19 crisis. The legislation before us today will help continue one of those supports provided by Microfinance Ireland. The figures show that Microfinance Ireland has supported small businesses from a range of sectors. The average loan size has been €14,000. Businesses employing three people or fewer account for 83% of approvals. Over half of all approvals have been to start-ups. Given the intense pressure on businesses, the fact that Microfinance Ireland has, since March, been providing loans interest-free for the first six months is immensely welcome. Such a measure is simple to apply but crucial to the viability of a business. It demonstrates the flexibility and readiness of Microfinance Ireland to help and highlights that Microfinance Ireland is deserving of the positive changes this Bill will bring.

One area of concern, as others have said, is the rate of loan approval. At 44%, the approval rate seems to be on the low side.

What we need now is flexibility in all areas of support across the business community. One example is the trading online voucher scheme, which is a highly successful scheme that has been helping small businesses to get online for the last number of years. I appeal, however, for the Minister of State to work with colleagues in the proposed new Department of Climate Action, Communications Networks and Transport to widen, even if only for a short period of time, the eligibility for the trading online voucher scheme. We all know that businesses without an online presence will continue to struggle, as we have seen. The Bill before us increases flexibility in unlocking finance for small businesses which may very well be the difference between

success and failure.

Ar deireadh thiar, baineann an Bille seo le cúnaimh a thabhairt do ghnóthaí beaga agus áitiúla, atá rithábhachtach dár bpobal. Baineann an Bille le cumhacht a thabhairt do Microfinance Ireland cabhrú le níos mó comhlachtaí agus pobail ar fud na tíre chun cinntiú go mbeidh an tionchar is mó ag gach euro de mhaoiniú Stáit chun cuidiú le gnóthaí maireachtáil, fás agus, tá súil agam, le ham, poist nua a chruthú.

Senator Aisling Dolan: It is very much a historic honour to be standing here in front of the signatories of the 1916 Proclamation. As an arts graduate in history and French from UCG, now NUIG, it is very awe-inspiring. Though it is a unique occasion, it is one that has brought a lot of joy.

I welcome the Minister of State, Deputy English, especially as his portfolio concerns employment affairs and retail businesses. It is very important to see retail businesses in there. I very much support this immediate request - and it is immediate, because Microfinance Ireland is fully subscribed at the moment.

Businesses are waiting to hear back from us and see the amendments we are going to make. They cannot currently access any funds. It is great to see that this is the second legislative item to come before the Seanad that deals with small businesses with under ten employees and less than €2 million in annual turnover. It is great to see the Government is bringing before Members legislation that will have an impact as soon as possible on those enterprises because in my native region of counties Roscommon and Galway, within the towns in County Roscommon of about 6,000 people, as well as in Ballinasloe, they are the backbone of our communities. These businesses are what keep life going in our areas. As they keep employment in our areas and are able to offer jobs, I very much support this. I am glad to note that 80% of activity is happening outside of urban areas. I also am glad to note the funds involved and while the average supports coming through have been mentioned here, businesses can apply for up to €50,000.

On the feedback, only a few weeks ago when I was still a Galway county councillor, I walked around all of the businesses in Ballinasloe and asked if they had looked at or applied for the restart fund. Some had not. Some had not been aware of it, some were not sure that it applied to them. As a lot of this has to do with communication, I ask that this be advertised, communicated and promoted through the local enterprise offices, both in print and via social media, and that this should happen continuously for the next number of months. As a councillor, I linked in very closely with the local enterprise offices, which engage closely with Enterprise Ireland. As a lot of Members have stated, the local enterprise offices have been swamped with the trading online voucher. While the Fine Gael-led caretaker Government increased the funds available for the trading online voucher, local enterprise offices do not have sufficient resources at present and I am concerned about how they will respond to the need that will arise over the next six months. It is crucial that Enterprise Ireland, along with local enterprise offices and local authorities, is providing supports in the form of resources. The approval rate for these microfinance business loans also was mentioned. My job prior to this was in Health Innovation Hub Ireland within NUIG. I worked with start-up companies in the health sector to mentor and guide them and to support them in doing pilots in healthcare settings. It is very important that we are able to support these businesses to develop business plans because they have to adapt and to innovate now more than ever.

When I was walking around I spoke with a hairdresser I knew. I believe she has had to

spend over €10,000 to redo her work environment. It cost her €10,000 to put in the plastic screens, move sinks around and do everything that needs to be done to innovate and adapt. Many other businesses have changed how they are operating, such as craft breweries that have taken on making hand sanitiser and so on. It is very important that we are there to support them in innovating and adapting. How are we going to do that? How are we going to support those businesses to develop strong business plans to access finance? Could that support be provided within local enterprise offices, LEOs?

Senator D'Arcy mentioned the extension of the waiver, which may be part of the July stimulus plan. We very much support expanding that, particularly for the businesses in the area. Much of the feedback from businesses said they will not be up and running properly for the next number of months. I thank the Cathaoirleach for the opportunity to speak and look forward to working with the Minister of State on this matter.

Senator Sharon Keogan: The Minister of State is very welcome. I look forward to working with him and bringing many jobs to County Meath over the next few years. As Senator Dolan mentioned, there are many grants available at the moment that small businesses do not know about and it is important that we convey that message to people today. It is incumbent upon all of those in the Seanad, local government and even the Dáil to get the message out that grants are available to them to draw down. The restart grant is there, for example. It is rates based and the minimum businesses will get if they apply is €2,000. Even if they are paying less than that for their rates, if they apply to their local council now they will get a minimum of €2,000. That is a fundamental grant for small businesses to get today. The enterprise support grant is payable to self-employed people who employ fewer than ten staff. Local plumbers or electricians with two or three employees can apply for that now and if they have been getting the pandemic payment they could get €1,000 from that grant. Business financial planning up to €5,000 is available, which provides 100% funding to a business to get a financial planner. People need to know that is available as well. The online voucher scheme was increased by an extra €14 million two or three weeks ago. The Minister of State might look at that again because all of the LEOs were inundated with applications for it and most businesses are going online now.

I welcome the Bill but when I talk to businesses, they tell me it is not loans they need but grants. Grants are what they need and they also need less red tape in drawing them down. If there is any way the Minister of State could make it easier for our businesses to draw down grants, I would welcome it. I look forward to what the Government is going to bring forward in the July stimulus.

Senator Mary Seery Kearney: I welcome the Minister of State, though it seems bizarre to welcome him to our Chamber when we are in his. It is a wonderful and awe-inspiring surrounding. I welcome this legislation. As so many of us have said today, small businesses are significant contributors to employment across our country. As the Minister of State noted, they account for over 99% of the total enterprises and 69% of persons engaged. They make a significant contribution to our economy and to the employment of people of all ages. However, microenterprises with fewer than ten employees or with a small turnover are the small businesses in our rows of shops, our local estates and communities. They are in our small villages, even those within the city and suburbs of Dublin city, such as Templeogue, Drimnagh and Crumlin. It is in such villages that these microenterprises are located. They have been recognised as particularly agile in their responsiveness to market changes and their service offering. Particularly during the pandemic, these companies pivoted from their usual goods and services provision

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to adapt to allow for an online offering and to deliver to different markets. Companies are suddenly doing home deliveries that never contemplated them before. However, the pandemic also brought about a sudden and dramatic halt to business that none of us could have anticipated earlier this year. This could have had a chilling effect on risk taking and the entrepreneurial spirit. Expanding the microenterprise fund is a very positive commitment and a confidence building measure by the Government to promote and assist businesses as they take risks. I am a small business owner and over the past 12 weeks I have consulted and supported many businesses, particularly in the constituency of Dublin South-Central, as they work to keep afloat and keep in contact with their employees. They repeatedly stressed their need to access funding. Given their size it is onerous and they need to procure funding supports.

As the Minister of State has invited feedback, I bring to his attention that at the end of February, some founders of small businesses, anticipating there may be a cash flow issue coming down the tracks, sought to forgo their own salaries. The consequence was that this put them outside the criteria for accessing the temporary wage subsidy. The very people who sacrificed to keep their employees engaged are now without the benefit of the subsidy. Will the Minister of State examine this? This has come to me from a couple of businesses.

I certainly concur with Senator D'Arcy and other Senators that we need to extend the temporary wage subsidy scheme. I ask for a lengthy extension and permanence for the rates waiver for small and medium enterprises.

I am sure we all know that the cost of doing business now is very different. Not only do we have to anticipate the best and worst case scenarios of doing business but there is the implied cost of the provision of health and safety for customers and employees. This will change the projected balance sheets when applications are made for the fund. I ask that this be considered and the adjustment is made. The normal anticipated profit and loss and expenses are different now and I ask that this be catered for and considered.

The Minister of State has responsibility for all things employment and we have the welcome return of the Workplace Relations Commission. A number of inspectors from the Workplace Relations Commission were deployed to the Health and Safety Authority to ensure Covid-19 compliance in employment and I invite a comment from the Minister of State on how we will get the inspectorate back and still keep the balance between the two. One way to do this is to highlight and promote the whistleblowing legislation.

Senator Catherine Ardagh: I thank the Minister of State for coming to the House today. It is very nice to be in this House. I did not want to step in too far in case it was bad luck for the future. I am a small business owner with fewer than five employees. Before Covid we were struggling. I have a small solicitor's practice and we struggle to pay our employees' wages and our rates, rent and insurance. It is always a struggle. With Covid it is even more of a struggle. We took advantage of the wage subsidy package and we were delighted to do so. Things still have not taken off. My business provides legal services and we rely on the property market. Things have slowed down somewhat. It is making life a lot harder. My business is just a small example of many other businesses throughout the country.

There are 250,000 small businesses in Ireland and more than 90% of those employed are employed by small business owners. Before Covid we put ourselves out there and got very little return. With Covid it is absolutely crippling. Many even larger businesses around the country are looking for support. It is important for the Government to provide this because

liquidity will be the only thing that will help businesses survive this period of Covid recession I think we will all see. This is becoming clearer and clearer to all of us as we hear stories around the country of businesses unable to survive. I heard yesterday that in the bus transport industry, companies are buying buses to the tune of nearly €500,000 that are sitting idle. This is not sustainable. In the tourism industry, various festivals around the country have been cancelled, including the Cork Jazz Festival and the Galway festival, as well as race meetings. I do not think we realise yet the absolute tragedy coming down the tracks at us. It is really worrying but it shows that a stable Government is really important. If we did not have a stable Government, we would not see the July stimulus package that is so badly needed.

It is great to see this microfinance legislation. I welcome it wholeheartedly. I agree with other speakers that many businesses do not know about the restart allowance, the enterprise support, the financial planning assistance or the online voucher. We need to do much more to help small businesses because once a business closes down it is very hard to get it back up and running. The trick to keeping the economy going is to keep businesses open. As my colleague, Senator Seery Kearney, said, many business founders or owners have taken pay cuts, and that will be seen across the country. Many of them have not taken a wage. They have done this not only because they want to ensure they survive and get through Covid and this recession, but also because they have put their heart and soul into their businesses, which are almost their families in many cases. We need to support those who are supporting others.

I would like to see, as others have said, a waiver of the commercial rates for a longer period. In addition, many small business owners and self-employed people are very worried about their income tax liabilities come November. We need to look at whether there is perhaps some other microfinance-type loan for them to spread their tax liability for the year over a few years. This is really worrying for many companies and people, and I think there will be a lot of hardship come November. I welcome the Bill, however, and I hope we do a lot more to help small businesses around the country, which are the backbone of our economy.

Senator Emer Currie: I extend a very big welcome to the Minister of State, Deputy English, and congratulate him on his new position.

I very much welcome the debate on the microfinance Bill and I support the Bill. I welcome the focus on the July jobs stimulus and on SMEs. It is great to hear people talk about SMEs in such a familiar way. We are all connected to SMEs, which employ 1.3 million out of 2.3 million workers. Chambers Ireland has released research showing that 85% of SMEs faced some sort of closure during the restrictions and that the overheads they faced were on average still approximately €2,000 per month. Their restock average, that is, the cost to get them reopened, was between €3,000 and €8,000. On top of that they have to pay their staff and themselves. This is therefore a critical time for them. We have to help them reopen, keep them open and help them pay their wages. It will be a very precarious situation over the next six months.

We have seen €6.5 billion go into these supports. I think they have been very effective but I also welcome the opportunity to review and enhance them, particularly as people have commented today on the 44% approval rate for the microfinance loan. That means 3,472 applications were not approved. These 3,472 businesses, and the jobs that go with them, need our support. I am very much in favour of enhancing these supports, extending the TWSS to help to bridge the gap between getting up and running and being able to pay the wages, the extension of the waiver of the commercial rates and an examination of the product details on this particular loan.

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The Minister of State asked for ideas regarding the July stimulus. Somebody commented earlier on these businesses being up for the challenge, which they are. I did a walk through of the local businesses in Castleknock, Blanchardstown and Clonsilla and spoke to the local business owners. They were both excited to get back to work and nervous. We need a national “support local” campaign. There are support local campaigns happening but we need a big focus on a national support local campaign. This is the next stage of the recovery. We have been through all of this together and people still want to support their local businesses and communities. We have to mobilise people to get behind their communities and join the dots in putting money into the local businesses that they walked past when they were closed during lockdown and they looked forward to the day that they were back. We have to remind the people that they need our support and join the dots between the local businesses, the local community and the national economy. Bringing that into focus, if every adult in Ireland was to divert €20 for the next 12 weeks into their local economy, it would amount to a crucial €875 million injection into our national economy. I am involved in a support local campaign. The strength of it was not only that it was about the retail shops. While it is about communities, it is bigger than that; it is about creativity, innovation and entrepreneurship. That umbrella effect could be powerful for us right now in the next stage of the recovery.

The second issue I want to mention is our youth. It has been identified that an aspect of the July jobs stimulus will be retraining of young workers. We have seen the respect for front-line workers over the past while. It is front and central, as it should be. I hope that there will be an opportunity in the stimulus plan to bring some of our youth into that sector in a stable and attractive way. There is so much focus in the programme for Government on the care sector and I would like to see that delivered on early through more youths going into care assistant and home care roles or even being taken on as additional staff that schools and crèches will need.

The third and final issue I will mention is remote working. Extraordinary changes have happened in extraordinary times but now we need ordinary practices for ordinary times if we are to retain them. More than one third of us have been working from home with in excess of 50% of us wanting to retain that option. To ensure quality of life opportunities for rural areas and to regenerate communities, including suburban communities such as my own, we need incentives for employers and grants towards employee assistance programmes and mental health and well-being. It is something I have mentioned previously and that I put forward as an idea in the programme for Government. We need a national campaign on how employers can operate remotely and the assistance that is available. One-to-one assistance through Grow Remote is available as well as training programmes. I urge the Government to encourage employers to advertise a remote working option. That is a simple thing that could be done where one’s location on a job specification suddenly becomes “remote”.

There has been an increase in the use of hubs or co-working spaces in Ireland in the past three years. They have been an energiser for local communities. They are in a difficult position at present but they are something that we should support so that they are still here at the end of this pandemic. If we can bring remote working to rural Ireland, then that will give us more jobs in rural areas and more options and flexibility for people.

An Cathaoirleach: I ask the Senator to conclude.

Senator Emer Currie: I am sorry. I ask the Minister of State to consider supporting them because they are the future.

An Cathaoirleach: As no other Senator is offering, I call on the Minister of State.

Minister of State at the Department of Business, Enterprise and Innovation (Deputy Damien English): I thank all the Members for their contributions. I think everybody has contributed now and has shown great understanding and knowledge of the importance of helping the SME sector, as well as that SMEs are all of us and are right at the heart of our communities. They are in every town and village that we represent and everywhere we go and because of that knock-on effect, it is important to support those businesses and jobs as in so doing, we also support all our communities. Those aspects have been mentioned and well understood by everybody here, which shows the importance of responding to this situation in any way we can. We are only discussing one area of the microfinance loan and the microfinance fund today. This is only one intervention of many and we will continue to bring forward new ideas, including the jobs stimulus plan, in the weeks ahead. I thank all the Members for their ideas and interventions.

A key aspect also highlighted by Members involves communicating what we have in place now. Up to €12 billion in supports has been announced in recent months by the Government for all businesses, small, medium and large, in loans, grants or equity. It is correct to state, however, that many businesses are not aware of those supports. We will, therefore, have to continue the communication efforts. I ask all public representatives, including Deputies, Senators and councillors, to help get that message out. Naturally, we are trying to beef up staff numbers in all the organisations involved to get the message out about supports and to process applications.

The LEOs were mentioned by many Members. Senator Wall, and others, highlighted the pressure being put on them. Our Department and other Departments are putting the LEOs under pressure to get the applications processed. It is nearly an impossible task because the number of applications coming in is now so high compared to the past. We must increase our staff numbers and expand the process of reaching out regarding these schemes.

Many Members also mentioned the online trading voucher scheme. It has been a great success. It has been a slow burner since 2014, when I was last in this Department. We were then trying to push the scheme and encourage people to take it up but not enough people wanted to do so at that time. In recent months, however, demand for the scheme has been phenomenal. That is important and we must respond to that demand. The first part of that response was to issue more money, and that has happened. Almost €14 million or €15 million in additional money has been put into the scheme. However, then one must find a process to get that money out, get people onto the course and get the grants approved. As all that also means more work, this is not just a matter of allocating money but involves addressing the process to make that possible. I am aware that is something we must do and lead. The scheme crosses several Departments, but our Department certainly hopes to take a leading role in pushing it, together with the Department responsible for communications. Another point is that some LEOs have expended their allocation and have no money left, while others have the opposite problem of spare money and not enough applications. We need to match up that disparity. It also is our intention to try to put more money into this scheme in the July stimulus. I wanted to address that issue because many Members have mentioned it.

The issue of the interest rate was also raised by many Members. I want to be clear about this issue because in the debate yesterday in the other House, there was definitely a misunderstanding of the different types of loan products. This is a State-backed product. It is not one backed by the traditional banking sector and this is a not-for-profit product. When people say that the

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interest rate is too high at 4.5% or 5%, I recognise that it may be too high for many businesses. Nobody wants high interest rates - although I would not call a rate of 4% high - and none of us wants to pay interest on money. We all want grants and many businesses need grants but they also need access to funding. It has been proven in research that the interest rate is not always the barrier. It is accessing funding, getting the money and working out a repayment plan that is the barrier, and not always the interest rate. Naturally, however, every effort will be made to bring the interest rate down as low as is possible.

Traditionally, this type of funding would have a high interest rate. Microfinance loans are for new ideas, new companies with no track records or companies that would not be able to succeed in getting money from the banks. In normal trading conditions, therefore, the interest rate for this kind of money would be 14% to 15%. Microfinance Ireland has managed to issue these funds at 7% or 8% in the last three or four years. This year, we have committed to bringing that rate down to 4.5% when applicants work through the LEOs. Many Members referred in their contributions to the importance of working with the LEOs. It is certainly important, because those offices help with applications, guide applicants through the process and help with the forms, but it is also possible to get a lower interest rate when going directly through the LEOs. It will be 4.5%, whereas the interest rate is 5% when applicants go directly to Microfinance Ireland.

Some of the amendments in the Dáil yesterday also focused on the interest rate. We committed, as soon as this legislation is passed today and we bring forward a scheme, to doing our best to bring the interest rate down as low as we possibly can. The Sinn Féin amendment suggested bringing the interest rate down to 2% permanently, to have no charges for 12 months but to cover all the costs. Even at a rate of 4.5%, it does not cover the costs, because it very often involves subsidising loans that do not get repaid in some cases or that have a negative outcome. We are trying to be quite flexible in granting this facility in the first place to give the opportunity to people who might not always get money. Quite a lot of losses are associated with this kind of lending but the State is prepared to do that to give people the chance to either start a new business or save an existing business and create those jobs. That is what the microfinancing loan is about and that is what the Government is trying to do.

The interest rate as it is does not cover the costs but we will make efforts to adjust it as we bring the scheme forward. I cannot say how low we will go but to be clear, as of this year, in response to the outbreak of Covid-19 there is a six-month payment break during which one does not pay any repayments or any interest. That is effectively a 0% rate for the first six months but over three years - the majority of loans under MFI are for three years - it is an effective rate of 3%. To me, that is quite good value reflecting the scenario we are investing in. While I totally understand that anybody in business today needs practically free money or grants, we also must try to stretch the taxpayers' purse as far as we possibly can with all the different supports to all the different sectors. Every effort will be made to make it as cheap as possible but that does not mean we can do it for free because we are trying to manage the taxpayers' money here as best we can to reach as many as we possibly can and to spread that out. I hear what everybody is saying and the Government will try to do that.

At the moment, there is a six-month break and we will, of course, look to see if we can make that longer. Some of the suggestions yesterday and today were to have a longer extension during which one does not have to repay any money. Again, we will look at that to see if we can increase the break after the legislation is passed and when we bring the scheme forward. It would not be right and proper to write into legislation what the interest rate might be or what

the repayment plan would be and so on. We will look at that as well.

There has been much talk here about the application process and of simplifying it. When one is committing taxpayers' money to anything, there must be a process. That should not lead to unnecessary red tape but it does lead to form-filling, which none of us like, but it is a fact of life. We try to put in place a team of people to assist those who need the extra help to do that, or perhaps to help a business that has not applied for a loan in the past or that might have a different kind of history. There are teams of people in the LEOs who help people with their application. Microfinance Ireland has its own staff who help people with that process and guide them through it as well. They will get a second or third attempt. It is not as ruthless as other cases might be where a person fills in a form wrongly and they are gone. We try to work with people to fix the form or address and change something that might be in it. There is very much a hand-holding process there. That can be slow in some cases and if one hears complaints that someone's application took more than a few days, that is why. There might be a little bit of complication around the process that we try to work with.

On the issue of timelines in this regard, LEOs are fairly effective in reaching a six-day turnaround. I know one can see advertisements of banks that will do this within a day or in 24 hours. This is a bank that is lending in a particular sector and in the current climate, a six-day turnaround is quite good. That is what we try to do and, of course, we will try to beat that if we can. That is roughly the position at the moment.

Again, people might hear complaints that a person's application has been made but the person has heard nothing in a few weeks and it is taking too long. That is because, technically, Microfinance Ireland has no money at the moment. There are applications that have been stuck in the system for the past few weeks because this process is coming close to having no money. People will have heard of situations where there were delays. We hope to get that up and running quite quickly. We will try to send a message out to all those involved in the processing and preparing of applications to carry on with that work, provided this House passes this legislation today and lets it out the door. We can send the message out that this provision is coming down the line and that as the money will be increased, one can carry on with the applications. That is something we will try to encourage because there is a nervousness with anybody processing an application if there is no money at the end of it. The money will be at the end of it once we pass the legislation here today. I appeal for support and while I think that all speakers are in support of it I would not like to take anything for granted.

A couple of Senators raised the issue of youth unemployment. That reminds me of where we were back in 2013, 2014 and 2015 during the early stages of the recovery from the last great crash. Youth unemployment was persistently high and it was hard to get it back down. We committed then that we would not leave young people behind, and we did not, but it has taken a few years to bring that unemployment rate down. We probably only got there in the past year or two, having really intervened, so here we are again. The Tánaiste and the Taoiseach have said they are committed to making sure we do not leave young people behind in this situation. They are a major focus of the July stimulus plan but also the long-term economic plan due in October. People often talk about the Youth Guarantee at a European level but it involves trying to work with young people to make sure they are either in employment or in training, but certainly close to a job and a pathway to a job as quickly as they possibly can. It is a sector that will need particular attention and I will work on that. It reflects the views here and the Tánaiste has been very loud and clear on that. It is something we have to do because we cannot have a persistently high rate of unemployment for young people.

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Community supports and getting the word out were mentioned. We try to reach out as much as we possibly can but, like everything else, good news does not always travel as quickly as bad news. If there is a problem with a loan we will certainly hear about it, but businesses do not often talk about good news. Everyone can play a role in that. We try to advertise as much as we possibly can.

As I said, our Department has been involved in bringing forward supports worth over €12 billion. We know that is not enough and that is why billions more euro will have to be spent in support of businesses and jobs in the months ahead. Other Departments have been involved in that and have been name-checked. Local authorities are also involved, as are Údarás na Gaeltachta and other representative bodies, LEOs, enterprise agencies in local authorities, chambers and so on. Someone made a point yesterday that about 135 agencies are involved in job creation and supports. Included in that are local authorities and LEOs, but 35 agencies involved in this space are linked to our Department. We need to ensure everybody is equipped so they can do their jobs.

I was in this Department a couple of years ago and then disappeared into the Department of Housing, Planning and Local Government for four years. I thought I would never come out of it, but we will come back to that. They were difficult Departments to work in, but the Department of Housing, Planning and Local Government responded to the crisis over the past four or five years and is still responding. Likewise, the Department of Business, Enterprise and Innovation had to beef up its supports and efforts in 2008 until 2011 following the last crash, but responded and drove jobs recovery in this country. That Department can repeat that work and respond because the work in the intervening good years focused on innovation, research and development and future job creation. We are well equipped to respond to the current crisis and help many businesses survive Covid-19 and thrive, and also to look to future jobs.

As I said yesterday, people who had jobs in February and March might not get back to the same jobs, and that will be an awful pity and shame. We will do what we can to get them back to work, but it might not be possible in every sector. We have to hone in quite quickly on the reskilling agenda and encourage people to tap into their entrepreneurship and other skills. They could consider starting a company or join another start-up and work on a new project. We will create new jobs with new ideas and people. It is very often during tough times that ideas come forward and people take a risk.

Senator Seery Kearney mentioned risk taking, which is something we want to encourage. These loans are about backing risky businesses and providing risky loans. That is important. A Senator asked why refusal rates have been as low as 44% to 50% on average since 2012. Every year is different, but for the past seven or eight months about 80% of applications have been successful because we have encouraged our teams to take on more risky projects and adjusted the criteria to reflect what is going on now. A lot of companies now applying for these loans were not risky in February, but because of Covid they now face a different scenario. They have good business models and need to be helped through a period of difficulty over the next six months or a year. We need to guide them through that and get them going again, and that is what we are trying to do. We will respond to that and encourage others to do so.

I referred to the cost of running this kind of loan scheme. There are some losses which are subsidised by the State, and it is important we do that because if we did not have failures or losses we would be doing something wrong and not giving people a chance. I like to see failure rates as well as successes in LEOs, and very often people are obsessed with having a 100% suc-

cess rate. That is a bad place to be when one is trying to support businesses, because we have to support businesses that might fail and out of that might come some other positive elements. I am not trying to encourage failure, but we have to recognise that some businesses will fail because otherwise we are being too strict with our criteria.

I hope I have covered everything. I will come back to some questions. Most people referred to the wage subsidy scheme and asked for it to be extended and made permanent. I heard what they said and everyone understands their point. We need to determine how best we can respond. The Taoiseach, Tánaiste and others said the wage subsidy scheme will be examined in order to determine how best we can continue with it, how long it should last and where we go with it. It has been an immense support to businesses, saved jobs and kept businesses open or allowed them to reopen. Naturally we will consider the matter.

Members made some suggestions to improve the restart grant. Again, the grant will be considered as part of the jobs stimulus plan. A sum of €130 million has been applied for as part of the grant. To be honest, I thought there would be more applications so it is probably true to say that some businesses do not know the grant exists or whether they can make an application. I encourage more people to consider applying for the restart grant and we will try to tweak same. A sum of €130 million has been applied of which €71 million has been paid out, although I could be slightly wrong on that. A sum of €17 million has been signed off and is on its way out the door this week. Therefore, a total of €88 million has been paid out and more will be paid out in the weeks ahead.

A question was raised about the business owners who did not pay themselves in February. That is the first time I heard that and I am glad it was brought to my attention. Perhaps I should have heard sooner about the issue. Others may have worked on it already but I shall certainly examine the matter because that is an anomaly we would try to close. In fairness to the Minister for Finance, he has tweaked the scheme on a couple of occasions to accommodate genuine cases that had been omitted. We have already responded to other areas such as maternity cover and parental leave. We are trying to adapt these schemes as we go along.

Senator Higgins stated that she was glad we have a stimulus plan and not what was seen in the past. I remind Senators that in the past there was also a stimulus package but the conversation focused on austerity. The austerity measures were more related to public expenditure and a readjustment of public spend which, in my view, had got out of control and was not structurally sound before the last recession, and then did not help us get out of it. There was stimulus for jobs and business. I know because I was involved in creating the Action Plan for Jobs. There were hundreds of actions every year, by all Departments, that involved expending money and that worked. The Senator is right that we need to do more of that again and have more stimulus. This time around we will not need, and should not need, austerity measures because the public finances are in good order, and the Departments and schemes are well run. There is a lot of accountability following every bit of taxpayers' money so there is not the wastage that might have existed in the past. This time around we, as a country, are in a good place to respond. I am quite confident, and certainly back in my Department now, that we can turn the economy around quite quickly because we have the focus and skills. However, a turnaround will not happen in six months and will probably take a lot longer than a year. If we commit ourselves for a year or two then there is no reason we cannot turn the economy around quickly. It is quite possible to do so over the next two years unlike 2011-12 when we faced a long ten-year project. Recovery happened quicker than first thought yet not every part of the country recovered. This time around we need to provide regionally balanced recovery as quick as possible.

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I thank Senator Boyhan for complimenting me on my role in the Department of Housing, Planning and Local Government. I will make sure that we find money for any projects that he puts forward. Joking aside, I am glad to be back in my current Department at this busy time when there will be a great focus on jobs. However, I regret leaving my last Department as the work was unfinished. The Seanad played a great role in scrutinising a lot of legislation that we brought forward and improved it in many cases. The Seanad also highlighted many issues concerning planning, housing and homelessness. It also played a pivotal role in some of the changes that were made in the Department. My former Department was very focused and I am glad that its reach has now been extended. It made a lot of efforts in the last four years and turned the situation around. I acknowledge it orchestrated the building of a lot of houses through local authorities but its work is not finished. Senator Conway said that over 150,000 houses were built and he is right. Over 100,000 families have been helped but that is not enough and many people still need help, and more so due to Covid-19. I was glad to work in the Department of Housing, Planning and Local Government and would have preferred to finish my work but that is the way things work with Departments. However, that work will continue and I thank this House for its support.

The focus is again on jobs and the economy. Earlier speakers commented that the recovery is all about jobs. It is to an extent because if one does not get people back into jobs and employed so they can make money and pay their taxes, then we will not have enough taxes to fix other areas be it housing, community services, health and so on. These things are interlinked. We all felt at the start of 2020 that the jobs situation was in a good place and there would be a nice amount of regular taxes generated to fund everything else but that situation has changed. Our focus is on jobs again but it does not mean that the work will stop in other Departments. There is an opportunity to borrow money and keep everything going, and certainly when it comes to housing as well. Likewise, we must encourage jobs recovery unlike seven or eight years ago when we did not have access to capital to create jobs. Thankfully, this time we have access to capital and over €120 billion has been committed in Project 2040, which is supported and in the programme for Government. We will review that to ensure money can be spent, which will create jobs in all parts of the country in and of itself as well. As that work started two or three years ago, those projects are being worked on, money is being spent on them and they are creating jobs. We are in a good place for many reasons, so we should be able to drive on with jobs recovery quite quickly.

It will not be easy or nice and I understand many business owners are in a precarious state and they are worried and concerned. They do not know if they should open or not and if they should reapply or not. They are resilient but they will need Government supports and support from all of us to really make it happen and to give them the confidence that they can do this because it takes bravery to go back in, which I would have seen in the construction sector ten years ago. It took a long number of years to get people to put their toes back into the water and re-employ their teams, not necessarily only builders but anybody associated with any housing authority and with housing bodies even. There was a nervousness for a couple of years. We have to make sure that by bringing in legislation such as this, we give people the confidence to go back in there and open that door again as quickly as possible and to re-employ people and grow. That is what we are trying to do.

I probably missed some points but I will come back to Members individually on the issues they raised.

Question put and agreed to.

An Leas-Chathaoirleach: When is it proposed to take Committee Stage?

Senator Michael D’Arcy: Now.

Microenterprise Loan Fund (Amendment) Bill 2020: Committee and Remaining Stages

Sections 1 to 9, inclusive, agreed to.

Title agreed to.

Bill reported without amendment.

An Leas-Chathaoirleach: When is it proposed to take Report Stage?

Senator Michael D’Arcy: Now.

Bill received for final consideration and passed.

Microenterprise Loan Fund (Amendment) Bill 2020: Motion for Earlier Signature

Senator Michael D’Arcy: I move:

That, pursuant to subsection 2° of section 2 of Article 25 of the Constitution, Seanad Éireann concurs with the Government in a request to the President to sign the Microenterprise Loan Fund (Amendment) Bill 2020 on a date which is earlier than the fifth day after the date on which the Bill shall have been presented to him.

Question put and agreed to.

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

Senator Michael D’Arcy: Next Thursday at 10.30 a.m. in Leinster House.

The Seanad adjourned at 2.50 p.m. until 10.30 a.m. on Thursday, 16 July 2020.