

DÁIL ÉIREANN

AN ROGHCHOISTE UM GHNÓ, FIONTAIR AGUS NUÁLAÍOCHT

SELECT COMMITTEE ON BUSINESS, ENTERPRISE AND INNOVATION

Dé Céadaoin, 5 Nollaig 2018

Wednesday, 5 December 2018

The Select Committee met at 2 p.m.

MEMBERS PRESENT:

Deputy Heather Humphreys (Minister for Business, Enterprise and Innovation),	Deputy Maurice Quinlivan.
Deputy Kate O'Connell,*	

* In the absence of Deputy Tom Neville

DEPUTY MARY BUTLER IN THE CHAIR

Estimates for Public Services 2018

Vote 32 - Business, Enterprise and Innovation (Supplementary)

Chairman: I remind members to ensure their mobile phones are switched off for the duration of the meeting as they interfere with the broadcasting and recording equipment, even when left in silent mode.

The purpose of the meeting is to consider the Supplementary Estimate for Vote 32 for the Department of Business, Enterprise and Innovation which was referred by the Dáil to the committee on 21 November with an instruction to report back to it not later than 12 December. I welcome the Minister for Business, Enterprise and Innovation, Deputy Humphreys, and her officials and thank them for the briefing material provided for the committee. I propose that the Minister make a brief address to the committee and that we then consider the relevant subheads in the Supplementary Estimate. Is that agreed? Agreed. When contributing I ask members to indicate the subhead to which they wish to refer and the relevant page in the Department's briefing material, if possible. They are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official, either by name or in such a way as to make him or her identifiable. I call on the Minister to make her opening statement.

Minister for Business, Enterprise and Innovation (Deputy Heather Humphreys): I thank the Chairman for giving me the opportunity to present to the select committee my Department's Supplementary Estimate for 2018. I convey the apologies of my colleagues, the Ministers of State, Deputies Halligan and Breen, who, unfortunately, cannot attend owing to other engagements.

I understand my officials have provided the committee secretariat with a briefing note which sets out the background to the Supplementary Estimate. I propose to spend a few moments in bringing committee members through the detail of it. As they will have seen in the briefing note, the Supplementary Estimate does not involve the provision of additional Exchequer moneys over and above the €870.96 million voted to my Department in the 2018 Revised Estimates Volume; rather, permission is sought to redistribute €26.37 million in savings in the Department's Vote this year to support a number of enterprise and innovation initiatives. The Supplementary Estimate is technical in nature, as the aforementioned package of €26.37 million was provided for from within the moneys already voted to my Department. As advised, it is proposed that the €26.37 million package be redistributed to fund a number of focused enterprise and innovation initiatives. Specifically, the Supplementary Estimate will provide an additional €15.63 million in enterprise supports, including funding of €15 million to roll out the first phase of the future growth loan scheme, as well as additional funding of €160,000 to support the credit guarantee scheme and €470,000 to support the local enterprise offices. The remaining €10.74 million of the Supplementary Estimate package will be targeted at supporting the Department's innovation programme, including by providing additional capital funding of €8.74 million for Science Foundation Ireland to fund critically needed research projects and a further €2 million for the programme of research in third level institutions to discharge liabili-

ties in cycle 5 of the programme.

As announced in the budget, my Department has worked with the Department of Finance and the Department of Agriculture, Food and the Marine and in conjunction with the Strategic Banking Corporation of Ireland, SBCI, and the European Investment Bank group to develop a long-term credit facility for businesses to enable them to invest strategically in a post-Brexit environment. To that end, the future growth loan scheme will provide funding of €300 million for eligible businesses to meet their long-term credit needs for investment purposes. The Exchequer contribution to the scheme will involve funding of €37 million from my Department and €25 million from the Department of Agriculture, Food and the Marine which will allow the SBCI to leverage an overall fund of up to €300 million from the European Investment Fund. Under the scheme, a percentage of the loan portfolio will be guaranteed by the State, thereby increasing the risk appetite of the finance providers. The scheme will also leverage a counter guarantee from the EIB thus reducing the overall risk of exposure to the State. In this regard, 80% of the loan portfolio would be guaranteed by SBCI supported by funding from my Department and the Department of Agriculture, Food and the Marine. It is intended that this will be offset by a 64% guarantee from the EIB group through the European Fund for Strategic Investment reducing the overall cost to the State. Due to the bespoke nature of the proposed arrangement with the European Investment Fund, I, as Minister for Business, Enterprise and Innovation, together with the Minister for Agriculture, Food and Marine, will need to enter into a mandate agreement with the European Investment Fund. This represents the first time the Ministers have entered into such an agreement and as such, will require primary legislation.

The committee will be aware that necessary legislation permitting Ministers to enter into such agreements has been introduced in the House and I look forward to discussing details of the legislation with members on Committee Stage next week. With the co-operation of the committee, it is hoped that the legislation will be enacted before the end of the year, which, in turn, will facilitate the introduction of the future growth loan scheme in early 2019. The scheme will provide low-cost loans for terms of between eight and ten years, which are currently not readily available on the market. No collateral will be required for loans of €500,000 or less. The scheme will include the primary agriculture and seafood sectors and will be easy to access, competitively priced and contain more favourable terms than current offerings on the market. An open call process to select the participating finance providers for the future growth loan scheme is expected to start before year end. The provision of €15 million through the Supplementary Estimate will ensure that the necessary funding is in place to roll out the first phase of the scheme, which is expected to launch in 2019. The scheme is expected to run for three years from its launch date. The new future growth loan scheme represents a significant addition to the suite of existing finance supports that have been developed by my Department to specifically meet the identified needs of businesses, particularly those SMEs and micro-enterprises impacted by Brexit, including the revised credit guarantee scheme, the Microfinance Ireland scheme, the Enterprise Ireland seed and venture capital scheme and the short-term Brexit working capital loan scheme.

In terms of existing supports, provision is also being made in the Supplementary Estimates package to provide an additional €160,000 in 2018 to support the revised credit guarantee scheme. The credit guarantee scheme provides for State risk sharing with the banks thereby supporting SMEs in accessing bank finance. Over the past five and a half years, the scheme has encouraged banks to sanction 580 facilities and approve over €93 million in loans and thus has helped to create and maintain more than 3,650 jobs. A detailed review of the scheme was undertaken to make the guarantee more accessible to SMEs and open to other finance providers

and products. The revised scheme was formally launched in July 2018. The revisions of the scheme focused on encouraging more lending to SMEs and in particular, addressing a number of identified barriers to SMEs accessing mainstream finance, including difficulties in proving adequate collateral, novel business markets and re-financing requirements arising from the exit of an existing SME lender from the Irish market.

Some of the key features of the revised scheme include the availability of a facility of between €10,000 up to €1 million, terms of up to seven years and the availability of different types of facilities such as term loans, demand loans and performance bonds. The figure of €160,000 being provided through the Supplementary Estimate will in part further support the guarantee under which claims from the finance providers are paid in respect of any increase in defaulting loans arising from increased activity under the revised scheme. The additional funding will also help to cover the once-off set-up costs arising from the launch of the revised scheme.

The other enterprise support in the Supplementary Estimate relates to the local enterprise offices, which are being provided with an additional €470,000 in capital moneys to enable them to meet the increasing demand for their services, particularly in the area of mentoring, training and development programmes. The local enterprise offices are one of the primary regional enterprise supports for entrepreneurs, early stage promoters, start-ups and small businesses looking to expand. The local enterprise offices are focused on helping people to deliver on their business ideas thereby ensuring the development of local enterprise putting local micro-businesses and small businesses at the heart of job creation in Ireland. The additional €470,000 will be targeted at specific Brexit-related requests for support from the local enterprise offices. These include increasing requests for technical assistance from micro-exporters, supporting market diversification in qualifying businesses and developing new export market opportunities. They also include a greater demand for LEAN for micro support to help businesses to adopt lean business practices and increase competitiveness together with the roll out of additional Brexit seminars and raising businesses' awareness regarding their exposure and to develop robust Brexit plans.

As advised, the Supplementary Estimates package includes an additional €10.74 million in innovation supports. It is intended that this additional funding will be directed at two important innovation programmes, namely, Science Foundation Ireland's research infrastructure programme and cycle five of the Programme of Research in Third Level Institutions. This will provide much-needed additional capital investment into the research system and in particular into our universities and colleges. This €10.74 million will be distributed by providing an additional €8.7 million for Science Foundation Ireland's research infrastructure programme and a further €2 million to meet existing commitments under cycle five of the Programme of Research in Third Level Institutions. Research infrastructure is a vital tool for our research communities in conducting research and fostering innovation in their fields. Included here is specialist equipment that is essential for high-quality research, particularly in STEM disciplines. The Science Foundation Ireland research infrastructure call is currently the principal mechanism for funding research equipment needed by our colleges. We are keen to support as many of the high quality proposals that have been reviewed for quality and impact by Science Foundation Ireland. The additional €8.7 million will allow Science Foundation Ireland to fund a number of additional projects from its 2018 research infrastructure call over and above those that will be funded through Science Foundation Ireland's existing capital allocation. The host institutions - NUI Maynooth, Trinity College Dublin, the Tyndall National Institute at University College Cork - will benefit from the increased allocation. The additional €2 million for cycle five of the Programme of Research in Third Level Institutions will address existing financial commitments

under that programme. The Programme of Research in Third Level Institutions has facilitated Ireland's higher education institutions to produce world-class research in strategic areas such as biomedical sciences, ICT, energy, environment, advanced communications and materials and has been a very important programme for creating the foundation investment upon which investments by Science Foundation Ireland and our other funding agencies now build. A total of 33 capital building projects were funded under cycle five and are all complete. A total of 13 structured PhD programmes were also funded providing over 330 PhD student places. The payment of €2 million from the Supplementary Estimate will further reduce our outstanding commitments under cycle five of the Programme of Research in Third Level Institutions. The additional €10.74 million being provided to the Department's innovation programmes through this Supplementary Estimate will help us to deliver on our Innovation 2020 targets and commitments and will contribute to job creation and enterprise growth. This investment can be considered alongside recent increases in the past number of budgets in the funding for the Department's innovation programme not least in budget 2019, which has ensured that the Department is in a position to roll out. Regarding the commencement of the new €500 million disruptive technologies innovation fund through an allocation of €20 million in 2019, a new programme of investment in PhD research through Science Foundation Ireland centres for research or training takes over from what has been a key element of the previous cycle five of the Programme of Research in Third Level Institutions.

Regarding other investment in Science Foundation Ireland research centres and programmes, we have increased investment through international bodies such as the European Space Agency and the European Southern Observatory. Taking this investment together, I am happy to report that we are making very solid progress in delivering on the Department's commitments under Innovation 2020. All of this is complementing private sector investment in research and development, which is a point that also needs to be borne in mind.

As advised, this Supplementary Estimate is technical in nature and involves the redistribution of €26.37 million in savings from within the Department's 2018 voted allocation of €870.96 million. To put it in context, the Supplementary Estimates package represents approximately 3% of our overall gross allocation for 2018. The majority of the savings funding the Supplementary Estimate arise with regard to Enterprise Ireland's enterprise development programmes. In this regard, Enterprise Ireland is expected to generate savings in the region of €24.4 million on these programmes in 2018. Enterprise Ireland takes equity shares in the companies it supports. On an annual basis, this typically yields significant funding called agency own resource income. In recent years, this has been in excess of €70 million per annum. Subject to the approval and sanction of the Minister for Public Expenditure and Reform, Enterprise Ireland is permitted to retain and use own resource income in support of enterprise development. This year, 2018, has been another good year for Enterprise Ireland's own-resource income, with the generation of a significant quantum of own-resource income expected by the year's end. Under public expenditure rules Enterprise Ireland is required to expend return on investment, ROI, before it draws down Exchequer funds. Accordingly, this surfeit of ROI generated by EI in 2018 means that it will not need to call on its full Exchequer capital allocation of €63 million under subhead A.7 of the Department's Vote. Consequentially, there will be a saving on this subhead.

Aside from the additional ROI which EI expects to generate in 2018, a number of other factors contribute to the saving on this subhead, including slower than anticipated drawdown of grants by EI clients. In this regard, it is important to appreciate that the grants to EI client companies are demand-led and are typically multi-annual in nature, usually spread over a three-to-four year period. Grant expenditure is therefore dependent on the Enterprise Ireland

client companies adhering to and delivering on certain terms and conditions associated with the Enterprise Ireland grants, such as delivering a certain number of jobs or export sales etc. Good corporate governance in regard to the public finances means that Enterprise Ireland cannot and should not pay out grant funding until expenditure claims have been submitted by the client companies and properly vetted by Enterprise Ireland. Furthermore, some client companies will choose to submit their funding request to Enterprise Ireland when it best suits the company's own cashflow needs. Therefore, Enterprise Ireland is not in full control of all elements relating to expenditure across its grant programmes. This adds complexity to the management of the public moneys provided for in a single financial Estimates year running from 1 January to 31 December. As far as grants experience in 2018 is concerned, while grant approvals have been in line with targets, the level of claims received from clients for approved projects has been lower than forecast. It is expected, however, that these claims will be received in the course of 2019.

The other savings contributing to the Supplementary Estimates concern the INTERREG enterprise development programme, an EU programme designed to promote cross-Border research and innovation initiatives for the period from 2016 to 2022. My Department provides matching funding in co-operation with our counterpart Department in the Northern Ireland Executive, the Department for the Economy. The Department of Business, Enterprise and Innovation has committed to paying €21 million over the seven years of the programme, 85% of which will eventually be reimbursed by the EU. Funding of €3 million was allocated to INTERREG for 2018, of which just €1.03 million will be spent by the year's end. The amounts drawn down in each year can fluctuate due to a range of factors. The rate of drawdown is usually slower in the earlier years, with more funding being drawn down from the middle to the end of the seven-year period. However, an underspend in any year will result in an increased spend in subsequent years. Accurate forecasting for INTERREG can be problematic because it is a multi-annual seven-year programme with the Special EU Programmes Body, which runs the programme, working with three different accounting timeframes. More specific difficulties have arisen in the 2016-2022 programme due to the political situation in Northern Ireland. There were significant delays in getting projects up and running due to administrative delays in the Northern Ireland system. The Brexit decision caused an eight-month delay which had a knock-on effect on the programme up to the latter part of last year. This made accurate forecasting for the 2018 spend more difficult. Implementation of the INTERREG programme will catch up with the original schedule over the next few years and all projects will be completed in full by 2023. This delay, which caused the underspend, merely changes the sequencing of payments. It will not impact on the successful completion of the programme. It should be noted also that completion of the programme will not be affected by the UK leaving the EU, as the UK Government has committed to providing funds to replace the EU contribution after 2019. I will leave it there, a Chathaoirligh. I am happy to answer any questions that the members of the committee may have.

Chairman: I thank the Minister. I will start. We will stick with programme A. The Minister explained subhead A..7 very well. Enterprise Ireland has made savings of €24.4 million. The Minister explained where this income has come from, that is, own-resource income. My question concerns Brexit, which will be upon us very shortly. Was any consideration given to directing some of that funding into preparing more staff for Brexit? We heard last year that moneys were allocated to additional staff in Enterprise Ireland and IDA Ireland. Does the Minister feel her Department and its agencies are sufficiently staffed for Brexit, or was any consideration given to allocating some of that money to hiring further staff?

Deputy Heather Humphreys: We increased the 2018 budget to employ almost 100 extra staff members between the two agencies. They have got more boots on the ground, mainly abroad because they are looking for new markets. Enterprise Ireland is seeking out new markets and IDA Ireland is looking for new opportunities. There are opportunities arising from Brexit, although there are a lot of downsides. We have more boots on the ground abroad. An additional €8 million in current moneys was allocated to my Department in budget 2019, of which €3 million is being allocated to Enterprise Ireland to drive its plans for Ireland's global footprint. We are telling companies that they must get ready for Brexit and urging them to diversify into new markets. That takes time, so Enterprise Ireland is there to help them to scale up, to export and to get new markets abroad.

Chairman: My next question concerns the future growth loan scheme, which I welcome, offering €15 million for new capital provision. As the Minister explained, this will provide low-cost loans of between eight and ten years' duration with no collateral necessary. How long does the Minister expect it will take businesses to be approved for loans under this scheme? Sometimes businesses have to jump through hoops during the process of applying for loans. Will it be a reasonable application process? Does the Minister expect much drawdown?

Deputy Heather Humphreys: We now have a working capital facility, which is a €300 million fund. We are putting the money aside to provide for the €300 million long-term loan, which will be loaned over terms from eight to ten years. First of all, borrowers must apply to the Strategic Banking Corporation of Ireland, SBCI, to see if they are eligible. They will receive an answer to that in a turnaround time of 24 hours. Those found eligible can apply for the loans through the pillar banks; AIB, Bank of Ireland or Ulster Bank. Those banks will make the assessments. They are allowed to loan up to €500,000 in unsecured funding. This is a huge amount of money, especially over a longer term. I imagine there will be fairly keen interest in this loan because it fills a gap in the market. Businesses are finding it difficult to access finance for terms longer than seven years. This will extend to eight or ten years, with a maximum loan of €3 million. That is a considerable amount of money. As I said, there is a 24-hour turnaround time for approval from the SBCI. Borrowers can then make their application to the banks, which will make the assessment. The application has to go thorough the normal lending assessment.

Chairman: Does the Department plan to launch a campaign advertising the future growth loan scheme to bring it to the attention of small and medium-sized enterprises that might not be aware of it?

Deputy Heather Humphreys: We will do. Members might have heard the radio campaign advertising the €300 million working capital facility. That has a three-year term, and really acts as an overdraft facility. It has a 4% interest rate. We did a good bit of advertising for that, and we will do the same for this long-term scheme. I will send the Deputies notice of this scheme whenever it is approved. We have to go through the legislative process first. I will send committee members a note on the scheme and I would be grateful if they could advertise it as much as they can. We want to get the money out to people. There is also a lovely little booklet, which I can have sent to members. It is titled "Government working with finance providers to support SME financing". We will provide committee members with copies. It is a full list of the various supports. That is whether it is through equity finance support or direct debt financing support. There has been a change. It used to be that an entity would have to go to the bank for a loan but that is no longer the way; when businesses look at loans now they look at them with different ways of financing them in mind. There are many types of support and I will get that

sent out. This is for everybody to avail of and we want to provide supports. We would appreciate anything that the committee can do to help us.

Chairman: My next question is on local enterprise offices. The Minister indicated there is additional capital provision of €470,000 in the Supplementary Estimate. How will this money be allocated in the various offices throughout the country? Will it be dependent on how well they are performing or will it be demand-led?

Deputy Heather Humphreys: This year it will be based on the commitments that they have. The offices have indicated where they can spend this money before the end of the year. Next year I have increased the budget by €5 million, and I will ask them to come forward with proposals at that stage on a competitive basis. We must ensure the money is spent well. The local enterprise offices have performed really well as being the first port of call for businesses. They give significant support to small and indigenous Irish companies and I am very supportive of the great work done by local enterprise offices. They are the first port of call and they introduce businesses to the supports out there that are made available by the Government. It might not always be about money and sometimes there could be information on soft supports and helping businesses to upskill their management structures or invest in research and development. Different supports are given and I have a huge regard for them. They have bedded in well to the local authority structure and there is a greater focus now in local authorities on enterprise and supporting businesses, which is always good. In the 2019 allocation of €5 million, we are asking these offices to roll out customs training for small and medium enterprises. We must step back in time to consider all these procedures we thought we would not need again.

Chairman: I concur with the Minister's sentiments about local enterprise offices, which do a fantastic job. Even when people contact us with an idea, it is fantastic that we can send them to local enterprise offices as it is a one-stop shop that works extremely well. They will signpost where those people should go. Sometimes we are quick to the bad words but in fairness to local enterprise offices, they have bedded in very well with local authorities. The feedback is always very positive. It is fantastic to see there will be an extra allocation for them this year within the Estimates.

Deputy Maurice Quinlivan: I agree with the comments on local enterprise offices, which are very important. I met representatives of them again recently in Limerick and they are the first port of call when people come in, especially those in small and medium enterprises. I thank the Minister for her presentation and her Department for sending us the notes. I am particularly pleased to see redistribution of the €26 million benefitting Science Foundation Ireland, which is very important. I am also pleased to see the new loan scheme that aims to help businesses with the effects of Brexit.

I would like to have seen additional funding for the Office of the Director of Corporate Enforcement. As Sinn Féin has said before, we are not satisfied with the current level of funding or staffing and we would have preferred to see greater emphasis on the tackling of white collar crime in Ireland. I understand the Minister is bringing forward new legislation in the area but I cannot see any reason for additional staff or personnel not being hired now and transferred to a new agency when it is up and running. It is a sad state of affairs in the country when people are going to prison almost on a weekly basis for not paying their television licence fee etc. but nobody is being brought to justice with respect to the tracker mortgage scandal, for example, which involves more than €1 billion. We genuinely need major reform in the way we deal with white collar crime. That is just a comment on the Office of the Director of Corporate Enforcement and I look forward to the legislation being brought forward by the Minister, which we can

consider.

My first question on the Supplementary Estimate relates to Enterprise Ireland and its resource income. I may have asked the question before but I understand Enterprise Ireland can currently take 10% equity in business. Is that the legal limit or is it a policy decision? If it is a policy decision, what is the high limit we could go to if we wished to? I also have a question on the future growth loan scheme, as was mentioned by Deputy Boyd Barrett. Is there an estimate for the number of businesses that could avail of the scheme? Is there a cap on the number of businesses? For how many years will the scheme be in operation? Will there be a budget allocation required for the scheme every year? What are the anticipated interest rates on the scheme?

Deputy Heather Humphreys: I thank the Deputy. He referred to Enterprise Ireland's 10% level of equity in businesses and it is a policy decision because we do not want to crowd out other investors. It is working well and if Enterprise Ireland felt at any stage that it wanted to increase the level, it would be fair enough and its representatives could come talk to us. We would certainly look at it.

Currently there is no cap on the number of businesses that may apply for the further growth loan scheme. There is an annual budget of €6 million per annum for the next three years and it is built into the process. It should be sufficient. The scheme will have an Exchequer cost of €62 million over four years, with €25 million provided by the Department of Agriculture, Food and the Marine, with the remaining €37 million provided by the Department of Business, Enterprise and Innovation. It is a €300 million fund and we are taking the risk to the tune of €62 million. It will last three years from the date of the launch. The interest rate is below 5%.

I have increased the budget of the Office of the Director of Corporate Enforcement, ODCE, by €1 million next year. Its moneys have increased over the past number of years. The report published yesterday indicates clearly that the office did not have the necessary skill set between 2008 and 2012. It did not have the people it needed to do this complex type of work or investigation. Since that time, it has employed eight forensic accountants, a digital forensic specialist, two enforcement portfolio managers, two enforcement lawyers and the Garda Síochána will lead in all criminal investigations. We have increased the resources and on 15 November, the number of Department staff in place in the ODCE was 41. Seven gardaí have also been assigned to the office. It is doing a really good job and the office has had a number of successful prosecutions brought through the Director of Public Prosecutions. There was one very high-profile case that was extremely complex. The director and staff in the ODCE are really doing good work. That is just in case the wrong message gets out. There have been a number of prosecutions over the past while.

Deputy Maurice Quinlivan: I thank the Minister for her reply. I do not have a problem with the staff working there and I have spoken with a few of them. The director is coming before the committee in the new year and we are looking forward to that exchange of views. We just want the office to be strengthened with additional funds.

Deputy Heather Humphreys: We are doing that.

Deputy Maurice Quinlivan: When I spoke about the cap for the further growth loan scheme, I was also wondering if there is a cap on the amount of money that can be drawn down. What size loan could a company get?

Deputy Heather Humphreys: A company can get up to €500,000 unsecured or a maximum loan of €3 million.

Chairman: To refer back to the ODCE and that high profile trial earlier in the year, I understand the Minister said in the Dáil that, under advice she received from the Attorney General, she can only publish a 30-page document in this regard. Will that be circulated to the committee?

Deputy Heather Humphreys: That is available now. It is the account of the failings identified by the judge, who very clearly outlined the issues that needed to be addressed. We have taken all of those on board and they are in the report, which is available. We have acted on many of the issues and we will bring new legislation through which will set up the ODCE as an independent statutory body. It will have autonomy to employ people with the particularly specialised skillset that it needs and the power to go out into the market to get those people. We will also look at giving it additional investigative powers. There are a number of areas the legislation will cover, including enhanced powers to improve search and entry and to gather evidence that is electronically held. There will also be improvements in the supervision of liquidators and a more simplified system when the ODCE has to go to the High Court for access to phone records. Those are extra powers it needs and we will provide for that in the new legislation. I assure the committee it will have an extra €1 million next year to help it to transition to become an independent body. It does very important work in making sure companies operate within the law and it deserves to be supported.

The report is “An account of the shortcomings identified by Judge Aylmer of the Circuit Court concerning an investigation by the Office of the Director of Corporate Enforcement”. It is available on the website.

Chairman: If members have no further questions, I will ask in regard to programme B. While the relevant Minister is not present, the Minister, Deputy Humphreys, might be able to facilitate me. There is an additional capital allocation of €10.74 million for innovation support. I see €8.74 million has been allocated to four bodies, including Trinity College, NUI Maynooth and the Tyndall National Institute. The other €2 million in capital funding is being provided to the programme for research in third level institutions. When I looked all the way down the list, I noticed only one institute of technology was successful, DIT. I am disappointed. I am open to correction but that is how I read it. As the Minister knows, the institutes of technology are sometimes seen as the poor relations because they cannot borrow off balance sheet and they find this very difficult at times. Is there any reason only one institute of technology was successful and all the other moneys allocated were to universities?

Deputy Heather Humphreys: That fund was initially targeted at universities, although one institute did get funding. I agree with the Chairman. The institutes do great work, as do the colleges of further education. We have been working very closely with the Department of Education and Skills in rolling out apprenticeship schemes, which are mainly rolled out through local college of further education centres. We are doing more work with the institutes in terms of developing the right skillset and skills mix that is needed for industry. I see a bigger role for them in terms of working with industry to train people and give them the right skills.

The Department of Education and Skills announced an additional investment for the institutes of technology. This included a budget 2018 announcement of €200 million for public-private partnerships in the institute of technology sector and €257 million for investment in the higher education sector, including for research. Budget 2019 saw announcements of €57

million to be invested in higher education initiatives in 2019, along with capital investment of €150 million allocated to the higher education, further education and training and research sectors. I take the Chairman's point.

Chairman: Thank you. For information purposes, the committee is looking at the whole issue of apprenticeships and the very low number of female apprentices. We had SOLAS before us last week, as well as two apprentices, one a 23-year old woman from Dublin who was a qualified electrician with the ESB. She told us her story and how she decided to go down that route. She studied engineering for six months and did not like it, and then became an apprentice. Seventy-five apprentices were taken on by the ESB four years ago, three of whom were women. We also had a man from Wexford. He was a career changer at 30 years of age and he has just completed a level 8 qualification in insurance. It was fantastic to hear. He started work at 16 in the tourism industry, where he was a bar manager before he decided to change career.

The committee is looking at the promotion of this area. A third level college does not have to be the only way forward and is not for everyone. We believe we have to put a special focus on the trades. We will send on the report when it is completed. There are some who are tradespeople all their working lives but, when they come to their early 50s, especially if they have been working in the building trade, in particular the wet trades, it no longer suits them and they might have to change their careers, upskill or move to a different area. It has been very obvious to the committee that this situation exists and I wanted to let the Minister know the work we have been doing. We always try to be as constructive as possible.

There is a crossover with the Department of Education and Skills in regard to skills and we want to focus that from the point of view of the apprentices. It was good to have those people come to the committee and they had two very positive stories. It is an important message for the Department to get out that there are options for career changers in their 30s or at any age. We will certainly be looking at the issue of workers who have worked in the building trade for 35 years and then find, at age 50, it is no longer suitable for them because of the stresses and strains on their body.

Deputy Heather Humphreys: I agree with the Chairman. Like her, I am a great supporter of apprenticeships. In fact, in January I am attending the launch of a new apprenticeship scheme. It takes a while to get such a scheme together because it involves the whole of industry. The launch, which is in my county, is exciting and will be attended also by the Minister for Education and Skills. Only two weeks ago I was at an awards ceremony for apprentices who had completed four years of craft apprenticeships. The Chairman is right that there were very few women and it was all men, but it was a great occasion. Some of them got up to tell their story in the same way the two apprentices told their story to the committee. It is a win-win for everybody and means young people can continue their education and stay at home. They do not all have to come to the city or to the universities, and that sometimes works out better for their family circumstances, given some do part-time work in the country.

Chairman: That concludes our consideration of the Supplementary Estimate for 2018 - Vote 32 - Business, Enterprise and Innovation. I thank the Minister and her officials for attending.

Message to Dáil

Chairman: In accordance with Standing Order 90, the following message will be sent to

the Dáil:

The Select Committee on Business, Enterprise and Innovation has completed its consideration of the following Supplementary Estimate for public services for the year ending 31 December 2018 - Vote 32 - Business, Enterprise and Innovation. Under Standing Order 89(2), the message is deemed to be the report of the committee.

The joint committee adjourned at 2.50 p.m. until 4 p.m. on Tuesday, 11 December 2018.