

DÁIL ÉIREANN

COISTE SPEISIALTA UM FHREAGRA AR COVID-19

SPECIAL COMMITTEE ON COVID-19 RESPONSE

Dé Máirt, 9 Meitheamh 2020

Tuesday, 9 June 2020

Tháinig an Coiste le chéile ag 11 a.m.

The Committee met at 11 a.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	
Richard Boyd Barrett,+	
Colm Brophy,	
Colm Burke,	
Mary Butler,	
Jennifer Carroll MacNeill,	
Matt Carthy,	
Michael Collins,	
David Cullinane,	
Pearse Doherty,	
Stephen Donnelly,	
Norma Foley,	
Steven Matthews,*	
John McGuinness,	
Imelda Munster,*	
Catherine Murphy,	
Paul Murphy,	
Ged Nash,	
Malcolm Noonan,*	
Fergus O'Dowd,	
Matt Shanahan,	
Róisín Shortall,+	
Bríd Smith,+	
Duncan Smith.+	

* In éagmais / In the absence of Deputies Louise O'Reilly and Ossian Smyth.

+ In éagmais le haghaidh cuid den choiste / In the absence for part of the meeting of Deputies Róisín Shortall, Bríd Smith and Duncan Smith.

Teachta / Deputy Michael McNamara sa Chathaoir / in the Chair.

Business of Special Committee

Chairman: We have been notified that Deputies Boyd Barrett, Paul Murphy, Nash, Munster, Catherine Murphy, Noonan and Mathews will substitute for their party colleagues today. I will take it that the minutes of the meeting of 2 June are agreed? Agreed. I will take the 14 items of correspondence received as noted, unless anyone has any issues?

Deputy Fergus O'Dowd: I refer to correspondence from the Department of Health concerning nursing homes, analysis by HIQA and risk management, as published in its document. I request that the organising committee arrange to have representatives from HIQA back here as soon as possible, as well as representatives from Nursing Homes Ireland, NHI, to discuss the serious issue that 67% of nursing homes were not fully compliant and were not able to deal effectively with this challenge, that their competencies were not commensurate with what was required to deal with Covid-19. The majority-----

Chairman: I agree with the Deputy, but I suggest we discuss this matter in the working group on Friday morning, including the exact date we get them back.

Deputy Fergus O'Dowd: I have no issue with that and I welcome it. I only raise this matter because I am not on that working group. I appreciate the Chairman's suggestion.

Chairman: That is fine. Deputy O'Dowd is welcome to join us on Friday morning.

Deputy Fergus O'Dowd: Most of our deaths, sadly, have occurred in nursing homes and it is very important that we go into that matter in great detail so there is a fundamental change in our care of older people.

Chairman: I thank Deputy O'Dowd. I call Deputy Cullinane and then Deputy Carthy.

Deputy David Cullinane: I have two quick points. A letter was sent to the committee from Colm Gildernew, MLA, the chairperson of the committee for health in the North, seeking some interaction between that committee and ours. We should progress that if we can.

The Association of Childhood Professionals, ACP, has also written to all of the committee members, I think, but certainly to us, seeking to be one of the groups that would come before us. We are holding three sessions on childcare and I propose the ACP be one of those groups that will come before us. It was an oversight on our part not to have included it, but if we can accommodate the ACP, then I think we should.

Chairman: I spoke briefly with Mr. Gildernew and I agree in principle that we should certainly look into that, given the Governments here and in Stormont are adopting a cross-Border approach. We can discuss the detail of that, and who is going to come in for the childcare sessions, on Friday morning. I call Deputy Carthy.

Deputy Matt Carthy: We received correspondence from Mr. Jim Breslin regarding this committee's request concerning oversight of secondary legislation. I am disappointed in what Mr. Breslin has written. He states that he has consulted with the Minister for Health, Deputy Harris and essentially tells this committee that he is not going to engage with us regarding pre-scrutiny. Mr. Breslin points to the fact that under Oireachtas oversight that either House of the Oireachtas can annul secondary legislation. One of the Houses of the Oireachtas cannot sit at the moment, however, and that reduces the scope for scrutiny.

We are in unprecedented times. There is no health committee to examine this secondary legislation. I think we should write back to the Minister for Health and Mr. Breslin and ask for a review of that position. This is not about catching anybody out. It is about ensuring that all of this legislation is the right legislation at the right time with the right focus in mind. It would benefit the Minister and the Department of Health if this committee had oversight of the legislation before it is enacted.

Chairman: I note that position. Can we discuss this matter at the working group on Friday morning and reply accordingly?

Deputy Matt Carthy: That is fine.

Chairman: If that is everything, we can move on to the work programme. There was a meeting of the committee's working group last Friday and members have been circulated with a draft programme to 23 June. We have secured a meeting with representatives of the World Health Organisation, WHO, for this Thursday and I am advised that is possible technologically, which is good news.

The European Centre for Disease Prevention and Control, ECDC, has agreed to answer questions and members will have an opportunity to provide any questions they wish to ask to the secretariat and they will be conveyed for reply by the ECDC.

The following meetings have been agreed in principle. Next week we will deal with issues concerning the impact of Covid-19 on the fiscal position and also social protection expenditure. In the week of 23 June, we will examine the testing and tracing capabilities and issues relating to childcare. Is that agreed? That is agreed.

Regarding the chairing of meetings, Deputy Butler will chair session 2 today, Deputy Cullinane will chair session 3 and I will chair the session on Thursday morning. If that is everything, I invite our witnesses to join us.

Deputy Matt Carthy: What is the order of questioning in the first round?

Chairman: We will try to rotate it from the previous order. We will go with Fianna Fáil first for ten minutes and then Sinn Féin with ten minutes. That will be Deputy Carthy.

Deputy Matt Carthy: That is correct.

Chairman: Then the first Fine Gael speaker will have ten minutes. I think that is Deputy Colm Burke.

Deputy Colm Burke: Yes, it is.

Chairman: It will then be the normal progression from there, with the Green Party, the Labour Party and the Social Democrats.

Reopening the Economy: Public Health Advice

Chairman: I thank Dr. Cillian De Gascun, director of the National Virus Reference Laboratory, NVRL, and Professor Philip Nolan, president of NUI Maynooth, for joining us.

I advise the witnesses that by virtue of section 17(2)(l) of the Defamation Act 2009, wit-

nesses are protected by absolute privilege in respect of their evidence to this committee. If they are directed by the committee to cease giving evidence in relation to a particular matter and continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or entity by name or in such a way as to make him, her or it identifiable.

Members are reminded of the provisions in Standing Order 186 that the committee should refrain from inquiring into the merits of a policy or policies of the Government or a Minister of the Government or the merits of the objectives of such policies. We expect witnesses to answer questions asked by the committee clearly and with candour. Nevertheless, witnesses should expect to be treated fairly and with respect and consideration at all times. If they have an issue in that regard or feel that they are not being treated fairly, I ask them to bring that to the attention of the committee immediately.

I invite Dr. De Gascun to make his opening statement. The written version has been circulated in advance. I ask that he limit his statement to five minutes, please.

Dr. Cillian De Gascun: I thank the Chairman and the members of the committee for the invitation to appear today. I wish them well with the important work they are undertaking on behalf of the Oireachtas. The invitation I received indicated that the committee wishes to focus in particular on two issues this morning: first, on the specific issue of minimising the risk of Covid-19 in the context of the phased lifting of restrictions, and second, with regard to the current understanding of the behaviour of the virus and the prospects of a second wave of the pandemic occurring. I am, of course, happy to assist committee members by answering any other queries they may have, insofar as I can.

I wish to take this opportunity to acknowledge the immense grief that many people will have experienced in recent months due to Covid-19. I wish to express my deepest condolences to all those who have lost friends and family during this pandemic.

I will first explain my own background as that may be helpful in gaining an understanding of my role in respect of the response that has been mounted to Covid-19 in Ireland. I am a medical virologist by training and have been the director of the National Virus Reference Laboratory at UCD since December 2013. It provides a clinical, diagnostic and reference virology service for hospital and community-based clinicians throughout Ireland. Indeed, it has been doing so since 1963 when it was established at the behest of the Department of Health to carry out surveillance for poliovirus following the introduction of the polio vaccine into Ireland. In that regard, the NVRL remains the World Health Organization, WHO, accredited national polio laboratory for the country. It is also the WHO national laboratory for measles and rubella and the WHO national influenza centre, contributing data annually to the global influenza surveillance and response system. In fact, Ireland was one of the founding members of the global influenza surveillance network, as it was then called, which was established in 1952. The NVRL is accredited by the Irish National Accreditation Board to ISO standard 15189. In a normal year, it performs more than 950,000 tests on more than 350,000 samples.

When SARS-CoV-2, the virus that causes Covid-19, first emerged, the NVRL was the laboratory designated to undertake testing nationally. As the pandemic progressed, the number of labs with the ability to perform testing increased, and there are now more than 40 sites at which testing is performed. With specific reference to Covid-19, I am a member of the National

Public Health Emergency Team, NPHET, and chair the expert advisory group which provides technical recommendations on specific issues to NPHET and the HSE.

In the context of the current pandemic, I note that SARS-CoV-2 is a novel virus and there remains much that we simply do not know. In the first instance, we do not know the precise origin of the virus itself. SARS-CoV-2 is the seventh coronavirus known to infect humans and is a member of the sarbecovirus subgenus of the coronaviridae family. Although bats are regarded as the most likely natural host for the virus, the recombinogenic nature of coronaviruses means it can be difficult to identify the ultimate source because different parts of the genome can have different origins. This is in contrast to influenza viruses, for example, which reassort but do not typically undergo homologous recombination within ribonucleic acid, RNA, segments. As such, ascertaining the source of a novel influenza virus such as the pandemic virus of 2009 can be reduced to a question of where each of its segments originated.

We believe the likely source of SARS-CoV-2 to be bats because, following surveillance carried out after the SARS pandemic of 2003, we know there are hundreds of coronaviruses circulating in bats. In addition, the most closely related virus to SARS-CoV-2 to date is a coronavirus that was identified in a *rhinolophus affinis* bat sampled in the Yunnan province of China in 2013. The interesting thing about the 2013 virus is that despite being almost 96% identical to SARS-CoV-2 across the genome, the part of the genome that encodes for the protein that would allow the virus to infect humans efficiently and enter into human cells is quite different. It is this receptor-binding domain part of SARS-CoV-2 that is, in fact, more similar to coronaviruses that have been identified in Malayan pangolins, which initially led to speculation that a pangolin could have been an intermediate host for SARS-CoV-2. However, analysis of the available sequence data suggests that the most likely divergence date of SARS-CoV-2 from its most closely related bat coronavirus ranges from 1948 to 1982. This would indicate that the SARS-CoV-2 lineage is not a recent recombinant and that, despite intensified characterisation of sarbecoviruses since SARS, viruses closely related to SARS-CoV-2 have been circulating unnoticed in horseshoe bats for many decades. The occurrence of a third significant coronavirus emergence in 17 years, together with the high prevalence of these viruses in bats that was alluded to earlier, means that these viruses are likely to cross species boundaries again.

As the committee carries out its important work on Covid-19, I ask it to do so with one eye on the future to ensure that Ireland can learn lessons from this experience and be better prepared, across all sections of society and the health service, when the next pandemic occurs. I am happy to answer any questions.

Chairman: Thank you Dr. De Gascun. I invite Professor Nolan to make his opening statement and ask him to also limit it to five minutes please.

Professor Philip Nolan: Conscious that we, as individuals and as a society, have faced difficulty, tragedy and loss over the past 100 days, and knowing, as Dr. De Gascun said, that significant challenges remain ahead for all of us, it is useful to take an opportunity to examine our collective response to Covid-19 and to learn what lessons there are to be learned. In that spirit, I welcome the opportunity to be with the committee today, welcome the work it is doing and thank members for the invitation.

The emergency response to a pandemic can be supported and informed by the expert advice of epidemiologists, statisticians and disease modellers, whose analyses and insights can help us understand the spread of the disease, model and forecast possible scenarios, and monitor the effects of different interventions. The process of mobilising a specific Irish epidemiological

modelling advisory group, IEMAG, began on 8 March 2020, it was formally established on 11 March and it first met on 12 March. The group comprises almost 50 researchers, academics and practitioners, with a very wide range of expertise, forming an interdisciplinary team with the required competencies to analyse, monitor and model the spread of Covid-19. The terms of reference of the group include gathering evidence on the epidemiology of Covid-19 - essentially, how the virus is transmitted and how people become ill; using statistical approaches to monitor and understand the outbreak in the Republic of Ireland; developing epidemiological models to forecast probable scenarios for numbers of new cases of Covid-19 over time and to monitor the impact of public health interventions; developing a healthcare capacity, demand and resource model to assist the health sector plan for the possible impact of each of these scenarios; and developing analysis on the geospatial characteristics of the outbreak in Ireland.

We present our analyses, through the chair, to NPHE, at least weekly, and key conclusions are also shared weekly with the public through the Department of Health briefings. We need to be aware at all times that statistical analyses and mathematical models provide very useful insights but also have important limitations, so our input has always been contextualised within the wider public health expertise available within IEMAG itself and NPHE. The work of the advisory group has offered special insight into the management of the outbreak in Ireland. We provided early evidence from international studies on the particular characteristics of how SARS-CoV-2 is spread, complementing and reinforcing the work of the expert advisory group, chaired by Dr. De Gascun, and the Health Information and Quality Authority, HIQA. Our early modelling work demonstrated that the strategy of mitigation or “flattening the curve” alone would not be an appropriate or sufficient response; rather, in the early stages of this epidemic, it became clear that we must suppress transmission of the virus to very low levels to protect public health. Colleagues have also been able to provide NPHE and Government with important insights into the effectiveness of public health interventions in reducing the number of cases, the force of infection and the reproduction number. Our focus is now shifting to monitoring and early warning of and rapid response to any significant resurgence of disease into the future.

This pandemic has allowed me to see up close and independently the different elements of our response to a public health crisis.

I want to conclude speaking as a citizen and witness to this by recording my admiration, first, for the people of this country, for their fortitude in the face of this crisis and the diligence and care with which they have attended to public health advice; second, for healthcare workers, including and in particular those working in public health, among whose number I count colleagues, friends and family members for their courage, dedication and professionalism; third, for the very many public servants I have encountered across the Department of Health, the HSE and other agencies who have impressed me deeply with their ability, collegiality, humanity, work ethic and effectiveness; and, finally, for the 50 or so members of the Irish Epidemiological Modelling Advisory Group who, in addition to their normal duties, have through their expertise and sheer hard work made a modest but important contribution to our response to Covid-19. I am more than happy to answer any questions that the committee might have about the nature of our work.

Chairman: I thank Professor Nolan. I call on the first Fianna Fáil speaker who is Deputy Stephen Donnelly and he has ten minutes.

Deputy Stephen Donnelly: I welcome Dr. De Gascun and Professor Nolan. I thank them for attending and for their ongoing work. I know they have both been very busy in different ways supporting the work of the National Public Health Emergency Team, the Department and

the various healthcare officials working on our response.

I would like to get the response of the witnesses to the open letter to Government signed by more than 1,000 scientists in Ireland, which was published yesterday. I am sure they have both read the letter. It states: "Our current policy is to live with the virus under a long-term mitigation strategy, with the risk of future surges and lockdowns until when, or if, a vaccine becomes available." We have all heard scientists over the last number of weeks, including microbiologists, immunologists and virologists saying that under the current approach a second wave of this virus is highly likely and some say it is inevitable. If a second wave comes we are looking at closing the schools down again, possibly in the same month that they open. We are looking at businesses being closed down. We are looking at very serious restrictions on people's civil liberties. We would be looking at the almost complete shutdown of the healthcare system for a second time. Given the starkness of their warning, that more than 1,000 scientists have signed the letter, if they are right we need to do things differently. In the expert opinion of the witnesses are they right? Is the strategy to live with the virus, albeit at a suppressed level, accepting that there is a decent chance that there will be a second wave, and we have all lived through what happens when a wave of this virus arrives, right?

Professor Philip Nolan: I will answer and I am sure Dr. De Gascun will also have views. This is not simply a question of being right or wrong. As Dr. De Gascun has pointed out, this is a novel virus. There is a lot we do not know about the virus. There is a lot we do not know about the effectiveness of different public health interventions. So, in any such context one is going to have different scientists who will have different judgments based on the incomplete evidence available to them. That is the first thing I would say. It is not unusual for scientific knowledge to be contested. The people involved in that, I know many of them-----

Deputy Stephen Donnelly: I do not need the caveats. I just seek the opinion of the professor who is leading the entire modelling work for the State; are they right?

Professor Philip Nolan: We are supporting NPHEt in it and the Deputy will have heard the views of the Chief Medical Officer on those assertions. My view is that taking all of the evidence available to NPHEt, and let me clear, the strategy is not one of mitigation. I have made that clear in my opening statement and NPHEt has made that clear in public. It is not a question of living with an ongoing significant level of transmission of the virus. The strategy is one of suppression, suppressing the virus to very low levels.

Deputy Stephen Donnelly: Again, in the interest of time, I just want the opinion of the professor as to whether the scientists are right.

Professor Philip Nolan: My opinion is that the strategy as laid out - as recommended by NPHEt to Government and adopted by Government - is the right strategy for this country at this time.

Deputy Stephen Donnelly: To be clear, the professor has answered a different question.

Chairman: Please allow a response.

Deputy Stephen Donnelly: Chair, it is okay.

Chairman: It is not really. Professor Nolan needs to be allowed to answer his question and then the Deputy can come back in.

Professor Philip Nolan: What I am telling the Deputy is that in the face of incomplete information different scientists will have different views. NPHEt and the Government are charged with putting in place a response that is timely, proportionate-----

Deputy Stephen Donnelly: We know all of that. What is Professor Nolan's opinion? Am I safe in saying that he disagrees with them?

Professor Philip Nolan: I am giving my view. My view is that the recommendations of NPHEt for how Ireland should manage this pandemic are the correct recommendations. I support them. They accord with my own judgment and the judgment of my team. The point that I want to make is no strategy utterly insulates us from the risk of the virus re-emerging in our society.

Deputy Stephen Donnelly: We all understand that. I thank Professor Nolan. How likely is a second wave in his opinion?

Professor Philip Nolan: It is probable that at some point in the future the incidence of this disease will increase again in Irish society. How big that increase will be, when it will happen and how difficult it will be to manage are very hard to predict. There is something I can tell the Deputy, which is one output of a modelling study. If we had changed our regime on 18 May and the reproduction number on that date had increased to 1.6, we would have been looking at approximately 500 cases by the 19th.

Deputy Stephen Donnelly: I know that but, in the interests of time - and I am not trying to be rude - I also know that there is a lot of uncertainty and that scientists have different views. However, Professor Nolan is the guy leading the modelling work and I am asking, in his opinion-----

Professor Philip Nolan: And I was about to give the Deputy-----

Deputy Stephen Donnelly: -----how likely is a second wave and when might we expect it.

Professor Philip Nolan: I want to be very careful with the term "second wave" because it gives the public the impression that some overwhelming recurrence of the disease will wash over them in future. What we do know is that throughout Europe there will be renewed outbreaks of the disease of varying size. They could be described as small second waves or they could be described as manageable outbreaks. My view is that throughout Europe, perhaps somewhat randomly, we will see new outbreaks of disease, which we will be required to monitor and make sure that they do not become significant second waves, and which public health colleagues will be required to intervene and control in order that the disease does not spread beyond that manageable outbreak.

Deputy Stephen Donnelly: I thank Professor Nolan. How likely does he think we are to see a second wave of sufficient scale that we would have to look at closing down schools and businesses again and restricting civil liberties again? That really is the question many people want an answer to. I know there is no perfect answer. I am just looking for Professor Nolan's opinion.

Professor Philip Nolan: The management of any second wave will be different from the management of the first wave. The wave is likely to be different and we know an awful lot more about how to manage the virus than we did the last time. One might imagine that there could be more targeted measures introduced to control future outbreaks before the type of blanket

measures we have seen in this context. I am not evading the question; I simply cannot give the Deputy a probability as to how likely or unlikely a second wave is.

Deputy Stephen Donnelly: I am not looking for a number and I appreciate that would be an impossible question for Professor Nolan to answer. Does he think it is extremely unlikely? Does he think it is highly likely? Does he have absolutely no sense of how likely it is?

Professor Philip Nolan: Honestly, I think it is possible but it would be arrogant of me. We cannot predict the future and people who do my type of work and the type of work Dr. De Gascun does need to be humble. There is lots we do not know. Right now, on a precautionary basis, we need to plan as if it is possible and ensure that we have all of the contingency plans in place to deal with a tough scenario should it eventuate in the future.

Deputy Stephen Donnelly: I thank Professor Nolan. The letter also states that those who run public transport are planning for 20% of normal capacity, pub and restaurant owners are planning for 30% and school authorities for 50%. The healthcare system is planning and operating at a reduced rate 20% to 50% throughout the system. Is it the understanding of our guests that these will be ongoing reductions in operational capacity due to an ongoing level of the virus in our society? Does he see the virus being reduced in the coming months to a point where, essentially, society, public services and businesses can fully open up to full capacity as before?

Professor Philip Nolan: I will make a comment and perhaps Dr. De Gascun might want to expand on it. Yes, the strategy for this country, which in time will become a European Union-wide strategy, is to suppress transmission of the virus and maintain the levels of disease at very low levels. Any significant level of disease represents a risk to people and their health and also represents a risk of a second catastrophic outbreak. We will learn a lot then about what risks are possible and about what behaviours carry low risk in the context of that low community transmission. I return to the fact that we do not know everything about this virus yet and some things we are assuming are high risk may not actually be as high risk as we think they are.

Deputy Stephen Donnelly: Would Professor Nolan foresee society getting back to full capacity by the end of this year?

Professor Philip Nolan: I think our behaviours will continue to be modified by this virus for some time to come.

Deputy Stephen Donnelly: Would Professor Nolan foresee schools, restaurants and businesses opening up to full capacity by the end of the year, along with the healthcare system?

Professor Philip Nolan: I honestly do not have a crystal ball to answer that question. I do not know what we will learn about this virus over the next six months. I do not know what we will learn that we can and cannot do. It is impossible for me to say precisely what the impact of this virus will be in six months time. I am sure the Deputy will get lots of people to offer an opinion on that but my view, having looked at this, is that a lot of uncertainty remains about the future of us living with low levels of this virus somewhere in the European Union.

Deputy Matt Carthy: Cuirim fáilte roimh na finnétithe. Can the witnesses give us a sense of where we are at with the planning? I thank the witnesses again for being here. I know they are incredibly busy men. I will start by asking Dr. De Gascun to give us a sense of how good our information is to date. Yesterday, the Department confirmed that we had nine new Covid-19 cases. That is a great number in that it is incredibly low compared to the numbers we have had in the past. Is it fair to say that Dr. De Gascun would have been able to guess where those nine

cases would emerge before they happened? In other words, is our information good enough now that we can know that if there will be new cases next week, we can guess where they will potentially emerge?

Dr. Cillian De Gascun: The number yesterday was positive. We have often seen low numbers on a Monday so there may be a slight weekend lag in the figures. It is important that we do not get too carried away.

Deputy Matt Carthy: The number of new cases from yesterday is almost irrelevant to my question. I am asking if we now know where there are clusters and can we be fairly confident that clusters will not emerge somewhere that the National Virus Reference Laboratory does not know about at the moment?

Dr. Cillian De Gascun: It is difficult to say. We have an idea but we do not know. What we have achieved is that we have driven the infection out of the community to a large extent. It was reported yesterday at the press briefing that we are seeing some household clusters now because people are staying at home and they are transmitting to household contacts. We have also seen a number of employment and work settings that have characteristics that facilitate transmission of the virus such as people working together in shifts, travelling together or living together.

Deputy Matt Carthy: Meat factories.

Dr. Cillian De Gascun: That is one of the examples. If we reopen-----

Deputy Matt Carthy: Is there any other particular sector? We have seen the evidence that was released in recent weeks on the meat factories. Is there any other sector or particular type of workplace that is raising concerns with the National Virus Reference Laboratory?

Dr. Cillian De Gascun: Not that I am aware of at this point in time.

Deputy Matt Carthy: I gather that whatever number of reported and confirmed cases there are, there is an X number of other likely cases. At one stage there was a suggestion that there could be as many as four times the number of cases as those that had been confirmed. Do we have a sense of what the X number is now? In other words, how many cases of Covid-19 have there been that we do not know about but that we can make assumptions on or that the evidence would point towards?

Dr. Cillian De Gascun: I might let Professor Nolan come in on that point as well but one of the reassuring things we have seen from a testing perspective is that as we have increased the amount of testing we have been doing in the last two to three weeks, the positivity rate has continued to decline. That would suggest there is not a huge wealth of undiagnosed or undetected infections out in the community but, as I said, Professor Nolan may have something to add to that.

Deputy Matt Carthy: Before I allow Professor Nolan to add something, if he wishes to do so, there are some anomalies in terms of outbreaks. The counties of Cavan and Monaghan have had fairly high instances, proportionally. I think Cavan has the highest, Monaghan the third highest. The reason many people find this unusual is that, internationally, it appears that the greatest concentrations of cases are generally in large urban centres. I think that in most countries the epicentres are generally in large cities. Cavan and Monaghan are two predominantly rural counties. Does Dr. De Gascun have any understanding or reasoning as to why these counties have had such high instances?

Dr. Cillian De Gascun: My understanding is that public health has been heavily involved in investigating those clusters and increased activity. As a virologist, I have not been directly involved in that so I cannot give the Deputy an answer to that question, I am afraid.

Deputy Matt Carthy: Does Professor Nolan have any information in this regard?

Professor Philip Nolan: There are two things. First, we still estimate that for each symptomatic case we detect - we are detecting the vast majority of symptomatic cases - there is probably somebody out there without symptoms but who is carrying the disease-----

Deputy Matt Carthy: One other person.

Professor Philip Nolan: Yes. Some early serology work suggested there might be several others, but the later work and careful detective epidemiological work suggests that is the ratio. As for county variation, and in fact international variations, it is very difficult to dissect out why one county is hit more than another. If the outbreaks and clusters of cases are taken out, one still sees county-by-county variation. We need to remember that Cavan and Monaghan are very close to Dublin by European standards, so it is not anomalous for the disease to be seeded in the capital, which is also the transportation hub, and then to spread out somewhat randomly in different directions from the capital.

Deputy Matt Carthy: Louth and Meath stand between us, though.

Professor Philip Nolan: Yes. We may never find a fully satisfactory explanation for why some counties have high incidence of this disease and other counties have low incidence.

Deputy Matt Carthy: Is it something Professor Nolan is examining?

Professor Philip Nolan: It will take a long time to tell. We are still only 101 days into this. One learns the full story of a pandemic when it is over. People will look back through the records constantly to see if we can get any clue as to why there are these variations.

Deputy Matt Carthy: Professor Nolan has spoken about the second wave. I think he has used the word “probable” or “possible”. Would both Dr. De Gascun and Professor Nolan agree - I would like a yes-no answer - that the success of ensuring such a second wave does not become overwhelming will be in large part reliant on our ability to have a sufficient test, trace and isolate regime in place?

Dr. Cillian De Gascun: I will say just one thing about the second wave and then answer the Deputy’s question. There is a problem with this new virus. When we have studied previous pandemics, they have all been influenza viruses and have all come with second and third waves. This virus is not influenza. SARS did not really get to a second wave; MERS has not got to a second wave. That is the challenge for us in trying to anticipate what will happen with this virus. The other human coronaviruses tend to be seasonal and to peak in the first month or two of the calendar year. From a virology perspective, we are concerned about winter but-----

Deputy Matt Carthy: Accepting that, and almost leaving that aside, does Dr. De Gascun agree that testing and tracing will be important moving forward?

Dr. Cillian De Gascun: Absolutely, but only in conjunction with physical distancing, hand hygiene and respiratory etiquette. They are the control measures. Testing is not a control measure in and of itself. It is one component of a public health response.

Deputy Matt Carthy: Is Dr. De Gascun satisfied that the current testing and tracing system that is in place is sufficient for whatever might come down the line?

Dr. Cillian De Gascun: The current testing system was set up in the context of a pandemic, and my understanding is that the HSE is working on a more sustainable, longer-term solution for the coming winter season. At the moment what we have has worked incredibly well and a huge amount of work has gone into getting it up to where it needs to be. However, given the way it has been established, with the number of volunteer staff and staff seconded from elsewhere, I believe a longer-term solution is required.

Deputy Matt Carthy: I have two questions. I will try to be as brief as possible. Perhaps Professor Nolan might be the best person to answer whether we have any reliable data on excess deaths for the period since March. In Britain they have released those figures in recent days. Do we have a sense of what they are for Ireland yet?

Professor Philip Nolan: We do. Careful work has been done on mortality. I am not doing it, so it would be better if I asked the Department of Health to pass that on to Deputy Carthy. The one thing I do know is that we are well able to account for the excess mortality we are seeing in terms of the mortality we are detecting due to Covid-19. There is no discrepancy between our excess mortality data and the ongoing monitoring of the epidemic. That is a good position to be in - if I can put it that way - because it means we are seeing things as they are happening and we are not missing something.

Deputy Matt Carthy: My final question is to both speakers. Reference was made to the letter that scientists wrote to Government yesterday. Many people have taken an interest in it. One notable thing from that letter was its stark call for an all-Ireland approach to be adopted in whatever measures are adopted. We have seen some rhetoric to that end. Are Dr. De Gascun and Professor Nolan satisfied that the North-South co-operation, interaction and integration of strategies have been sufficient? Do they see areas where there is room for improvement?

Professor Philip Nolan: Certainly, there is an effective liaison mechanism at our level in terms of the sharing of data. The overall national strategy is not for me to comment on.

Dr. Cillian De Gascun: Similarly, I have not been involved in the North-South strategy, but I know the engagement has been there.

Deputy Matt Carthy: Do they think it is a little mad not to have an integrated strategy on such a small island?

Chairman: Thank you, Deputy Carthy. I think they answered the question. They say there is interaction between their agencies.

Deputy Matt Carthy: Interaction is different from integration.

Chairman: I am going to move on to the next Fine Gael speaker. Do you intend to take ten minutes, Deputy Burke?

Deputy Colm Burke: Yes. I thank Professor Nolan and Dr. De Gascun for their presentations this morning and for the work they have done. I join them in thanking all the people who have worked on the front line and behind the scenes to ensure we have dealt with this in a proactive way in trying to reduce the number of deaths.

Yesterday, New Zealand announced changes. The authorities there were highly successful

in locking down at an early stage. They now have no cases. What time period will we have to travel before we are in a situation where we will have no cases? Are we talking about months or weeks? Is it too early yet to speculate on that?

Professor Philip Nolan: The good news we are seeing is that the disease continues to decline even as the Government slowly lifts some of the harder restrictions that we are under. Again, I am keen to avoid groundless predictions but the positive news we are seeing is that the number of cases continues to decline as we progressively open up. The international experience is that, as yet, with some exceptions, many countries have managed to maintain low prevalence of the disease and begin to go about their business, literally and figuratively, more completely.

Deputy Colm Burke: If we have no new surge - and I hope we will not have any new surge in the coming weeks - are we still talking about three months before we are in a situation where we are totally out of the woods on this?

Professor Philip Nolan: We are not totally out of the woods on this until there is a vaccine.

Deputy Colm Burke: I accept that. I mean in the sense of keeping it suppressed.

Professor Philip Nolan: The comment many of us have made about living with the virus has been misinterpreted. The best prediction we can make at the moment is set out in the national plan. It was called a “living document” when it was launched and has become a living document because it has found itself amenable to some acceleration as our progress in suppressing the disease has gone well. Again, I am not being cagey; I am simply facing the fact that predictions under such levels of uncertainty are dangerous. All I can say is that we have made very positive progress. We are looking at a progressive and careful lifting of the very strict interventions while watching very carefully for any resurgence or reintroduction of the disease. If I can be blunt about it, we are growing in confidence and knowing more as time goes by. We are 100 days into this and in another 30 days we will know at least 30% more and will probably know twice as much about how to handle this. It is incumbent upon me to be very careful not to pretend to know more than I know.

Deputy Colm Burke: I wish to go back to the very start, when the committee was set up on 8 March and it followed on from there. The people we seem to have missed out on were those in nursing homes and mental health facilities and I am interested in learning from that. I note that this committee got a copy of letter recently, dated 2 April, to HIQA asking it to set out and deal with particular issues. Are there issues now that we need to plan for into the future? I refer in particular to what occurred with regard to nursing homes, whereby we do not appear to have taken action at an early enough stage. Nursing homes themselves do not appear to have taken action and the agencies involved with nursing homes do not appear to have looked at what was happening in other countries, including Italy, with regard to care facilities and nursing homes. There was a four-week gap when action was not taken. Is there something that we need to highlight now and for which we need to be ready?

Professor Philip Nolan: There are two parts to that question. There is the very broad public health support for nursing homes which is not my area of expertise. Within my area of expertise, one of the things to be learned from this, and we still do not have clarity on it, is the extent to which people can transmit the disease before they have symptoms of the disease. It is perfectly reasonable in the outbreak of a new infectious disease to isolate people who have symptoms. In mid to late March it began to become a concern that people could transmit the disease before they developed symptoms. Within mine and Dr. De Gascun’s area of expertise,

our aim is bottoming that out and really understanding how this disease is transmitted outside those classic settings of having symptoms, shedding the virus and transmitting the disease.

As a member of NPHEt, my experience was that suppression of the virus in the community as the primary means of protecting vulnerable and then specific steps to protect vulnerable people was a core concern. NPHEt was looking at information from Italy, the United States of America and the European Centre for Disease Prevention and Control, ECDC as it was coming in and working hard to make what we could of it in terms actionable outcomes.

Deputy Colm Burke: I am concerned about the letter from the Department of Health to HIQA, dated 2 April, which reads: “I would be grateful if as a matter of urgency, you would commence the progression of this action and provide an update at the NPHEt meeting on Friday 3rd April.” There was a gap of four weeks before HIQA was asked to do something. Was there a presumption that this was being done? I ask Dr. De Gascun to comment on that. Was there an impression that work was already being done in this area when it was not?

Professor Philip Nolan: The Deputy would have to ask HIQA and others about that.

Deputy Colm Burke: The Department wrote to HIQA on 2 April, so it must have been concerned that the work was not being done. Based on Dr. De Gascun’s view from being involved in the committee, was an impression given that work was being done to deal with nursing homes at a very early stage? We now have a letter from the Department to HIQA on 2 April that clearly indicates that the Department was concerned that work was not being done. What is Dr. De Gascun’s view on that from his own involvement in the committee?

Dr. Cillian De Gascun: From a NPHEt perspective, my recollection is that the vulnerable persons subgroup was established in early March and would have been working across Government with the various organisations and agencies to implement plans for nursing homes and other vulnerable groups. Speaking from a virology perspective, and Professor Nolan has alluded to this, the virus tends to cause the symptoms it needs in order to transmit. That is what the virus wants to do. For example, chickenpox causes lesions that are full of virus. We typically associate this kind of situation with symptomatic transmission. We have learned recently that the elderly may be asymptomatic or may have atypical symptoms. People will remember the fever, cough and shortness of breath that came out from China, and the WHO mission report to China gave us our first real insight into what this disease looked like. What is interesting, from a virology or medical perspective, is that the disease we are seeing now seems to have evolved and appears slightly different to the classical presentation in China. That made it more challenging to control outbreaks in certain situations. Ultimately, in order to protect the most vulnerable we had to suppress virus transmission in the community and I think we have been very successful in doing that.

Deputy Colm Burke: There was a period of four weeks when perhaps something more proactive should have been done by working with the nursing homes, HIQA and the Department. What is Dr. De Gascun’s view on that? Was there a presumption within the committee that this was already being done?

Dr. Cillian De Gascun: Based on our meetings at the time, the work was ongoing. I cannot speak to the correspondence to which the Deputy is alluding as I have not seen it but the understanding at NPHEt was that the focus was on vulnerable groups from a very early stage.

Deputy Colm Burke: This letter indicates that the Department was concerned that there

was not a focus on those vulnerable groups.

Chairman: I thank Deputy Colm Burke. I call Deputy Noonan.

Deputy Malcolm Noonan: I thank Professor Nolan and Dr. De Gascun. A number of Deputies have referred to crushing the curve and the 1,000 academics from the science community who put forward a compelling argument to look at going the distance and eliminating the virus from the community. Given that we are an island, they make a very compelling case and we have seen the progress made in New Zealand. I propose that we might invite some representatives from that group to the committee to tease out these issues further and see where we could make progress. It is worth debating further.

Testing plays a fundamental role in how we exit restrictions and effectively crush the virus on the island. My first question, for both Professor Nolan and Dr. De Gascun, relates to timelines for testing. We need clear and deliverable timelines on testing, and to go from the emergence of symptoms to swabbing, testing, tracing and contact quarantine within 72 hours when at capacity. I ask the witnesses to comment on the current state of testing within the country.

Dr. Cillian De Gascun: This comes under the auspices of the HSE so I do not have oversight of the entire pathway. However, my understanding is that the target was for 90% of tests to be completed within three days and I think Paul Reid said it was at 82% or 83% earlier in the week. Again, the testing in and of itself does not control the infection. If people develop symptoms and have had a test they have to self-isolate and not transmit the infection onwards.

In essence, while three days is important and is a very good target, the reason we want to get to that timeline is because we want to prevent the contacts of the index case transmitting the virus onwards. If I have the infection today, there is no saving me. My immediate contacts from yesterday and today are the group we are trying to contain. We want to prevent my contacts from transmitting the virus and that is where the three to four days comes from. We know the average incubation period for this virus is in or around five days. Some will be shorter and some will be longer - it can be up to two weeks.

It is important that we get results quickly, but the primary way people can prevent themselves from transmitting infection is by self-isolating and not having contact with others. If I am symptomatic, I need to present quickly. I need to contact my GP today and get tested. A lot of the sampling today is a same-day or next-day process. That means I can let the people with whom I have been in contact know that I have had a swab taken and that they should consider themselves potential close contacts, and that they should self-isolate for a couple of days until I get my result. The testing in and of itself does not control the infection. We need to try to get the message out to people that ultimately it is the physical distancing, self-isolation and identifying symptoms early which are important.

The reason we want people to contact their GP and be sampled early is purely because they are eating into the days when contacts have not been informed. If I sit at home for three days waiting for this to get better, my contacts could potentially be transmitting the virus onwards. That is what we are trying to address with a very short turnaround time. We need people, once they are symptomatic, to present for care as early as possible.

Deputy Malcolm Noonan: I have a second question on the testing of healthcare workers. It is currently only for suspected cases, but routine testing has been shown to reduce community transmission significantly. I would like to ask the witnesses to comment on the current guide-

lines for the testing of healthcare workers in the country.

Dr. Cillian De Gascun: It is a really good question. A significant amount of work has been done in this area. I appreciate that, in many respects, it probably seems straightforward to test all healthcare workers. The challenge is that negative results, that is, virus not detected results, at a single point in time do not give us a huge amount of information. We are very concerned about healthcare workers because they have accounted for 30% or more of all the cases we have seen. They are on the front line. Obviously, we had challenges in the early days from a PPE perspective. It is really important that we look after our front-line healthcare workers.

Part of the reason our proportion is so high is because they were always prioritised for testing, even when we had testing challenges with global supply chain issues in the early stages. The actual prevalence of infection in healthcare workers now is very low. We want to try to ensure we put in place a surveillance system that targets those healthcare workers who are at greatest risk so we can identify pockets of infection early on and contain them rather than doing mass testing. The problem with a mass testing approach as the prevalence becomes very low is that we may start to generate incorrect false positive results. We need to be careful about how we use the testing capacity we have.

Deputy Duncan Smith: I thank Dr. De Gascun and Professor Nolan for all their work over the past few weeks and wish them the best of luck for the weeks ahead. Obviously, this has not been beaten yet. I would like to get the views of the witnesses on face masks. I have had many contacts over the past couple of days, in particular yesterday, from people who are very concerned about the messaging on face masks. To sum up, people feel it is rather woolly. What are their thoughts on the utility of wearing face masks and the directives from the Government on them? Do they have any thoughts or recommendations in that regard?

Dr. Cillian De Gascun: I can start and will then pass over to Professor Nolan. We looked at this in the EAG from an evidence perspective. There is certainly very good evidence that medical grade face masks work very well in people who are symptomatic and in the healthcare setting. We gave that advice to NPHET a number of weeks ago. The challenge with masks in the community is that we believe that appropriate mask use is beneficial, but it is only as an add-on - an additional measure - to good hand hygiene, physical distancing, good respiratory etiquette and all that.

The challenge is that inappropriate mask use can be potentially harmful and can increase the risk of transmission. We know that the evidence on cloth masks and non-medical grade masks is not fantastic. People use the nice plausible hypothesis that because it stops the particles it is trapping the virus as well. We do not actually have great evidence in that area. As a barrier, it certainly prevents some particulate matter from spreading. Where people are symptomatic and coughing and sneezing, the mask will prevent onward transmission of particles that, we presume, contain virus.

However, many of the experiments that have been done to date have really been to demonstrate a proof of principle rather than actually demonstrating that virus is not transmitted. Obviously, based on the population-based studies from countries that have instigated universal mask usage from an early stage, I think it has worked. It is not the only measure that they have implemented so I think there certainly is a role for it and that is why our advice is that people in areas where they cannot physically distance should be wearing masks.

Deputy Duncan Smith: At one point in this country a number of years ago we sent iodine

pills to everyone with instructions on how to use, and that was for a totally different thing. I have taken from what Dr. De Gascun said earlier that SARS has a seasonal element to it.

Dr. Cillian De Gascun: Sorry, it may do. The other human coronaviruses have a seasonality to them.

Deputy Duncan Smith: Going into winter 2020-21 we may need to tool up our testing and tracing again. Would Dr. De Gascun recommend that every household in the country should have appropriate face masks with instructions on how to use them? Would that be a good investment of resources as we enter winter 2020-21?

Dr. Cillian De Gascun: From a personal perspective, I think that is a very good suggestion because we know there is an inequity where some people cannot afford to purchase their own face masks or are not in a position to make their own face masks. In the context of trying to plan for something coming down the tracks, we know there are significant global shortages of PPE and masks, and obviously the priority is to preserve our medical grade masks for our healthcare workers in the healthcare setting. Absolutely, there is time now to scale up manufacturing capacity. Therefore, I think the suggestion the Deputy has made has considerable merit.

Deputy Duncan Smith: Personally, I think the make-and-do links on the Government website are not appropriate and not something we should be sustaining. We need to be very strong on this because there is big concern over it.

When things reached a peak in April and into May, the testing capacity was 15,000 tests per day. Do we still have a number per day target or have we moved on from that? If we still have, what number is NPHEC recommending?

Dr. Cillian De Gascun: I kind of never want to hear the 15,000 a day thing for a long time, to be honest. Obviously, we need capacity. The 15,000 was based on looking at an influenza-like illness, ILI, rate from previous seasons and from viruses to see what the actual demand might be. The NVRL was receiving 7,000, 8,000 or 9,000 samples per day in late March or early April and we did not have the capacity on the island to do that testing. That is where the plan for 15,000 came from. Ultimately, we wanted to have the capacity to implement the public health strategy that was there at the time so that everybody who needed a test could have a test. Again it comes back to what we were discussing earlier about not being able to predict exactly what that number would be. We wanted to be able to test everybody who needed a test, and certainly there was a period in late March and the first half of April where we were not able to do that. Now that we have significant spare capacity, we are in that position and we want to stay in that position.

Deputy Róisín Shortall: I thank both witnesses for their presentations and their ongoing work. I have questions on two specific areas. The first is on data and the second is on strategy.

On the first point, I contest that we have not been transparent enough about the data surrounding the virus. For that reason, I ask Dr. De Gascun his opinion on, for example, the model relating to the R number. Why has that not been published by now? There is a very strong case for being absolutely open and transparent about all data. There is a great amount of data being collected, processed and analysed by the Health Protection Surveillance Centre, HPSC, but, unfortunately, it is not been made publicly available. There are three areas I wish to inquire about. The model for the R number needs to be published. We need daily numbers for testing and tracing, which we have never received. Prevalence is a factor of the rate of testing. Can

we have those numbers? Finally, can we have details on the location of the virus, its prevalence and the death rate relating to it? I know that all of that data is there on a small area basis. Can it be published?

The strategy adopted in this country has been to test, trace and isolate. That strategy has not ever been really operated because the testing and tracing system was always playing catch-up. The success in flattening the curve revolved around closing down society and the economy. What is the strategy now? Is there not a strong case and, in light of the probability of a second wave, a need to change the strategy, especially as we come into the winter months? It is not sufficient to stick with the test, trace and isolate strategy. Is there not a strong case to change that strategy to include the measures outlined in the document from the 1,000 scientists?

Professor Philip Nolan: I will comment on a few of those matters. I cannot accept the characterisation relating to a lack of transparency. The basic data is published every day by the HPSC.

Deputy Róisín Shortall: I am concerned about the three particular areas I listed.

Professor Philip Nolan: There was also a blanket assertion, however, about not being sufficiently transparent. At our daily briefing, we are going to come to the point that the Deputy raised, through supporting work on a new dashboard to make more data, which is there but is very complex to present in a digestible way, available to the public.

There has been a general theme here which I want to address in the context of additional measures, such as test, trace, isolate and face masks. What we do know is the mechanism by which we suppress the transmission of this virus is avoiding unnecessary contacts, maintaining reasonable physical distance, and rigorous hygiene. All of the other things are supplements to that.

Deputy Róisín Shortall: I accept the points Professor Nolan is making. We have been successful largely because society and the economy were closed down. In the context of it being potentially two years before there is a vaccine, the probability of us having a second wave - and moving into the second half of the year with the threat of flu etc., which would hugely complicate matters - is there surely not a need now to change the strategy that we are using in order to make it more targeted-----

Professor Philip Nolan: With respect-----

Deputy Róisín Shortall: -----and to limit the movement of people, especially into the country, and also to be stricter about the wearing of masks?

Professor Philip Nolan: We are talking about two different things. At one point, we were approaching 1,000 new cases a day. These very strict measures were required to suppress a level of transmission.

Deputy Róisín Shortall: I accept that. What is the strategy for the future?

Professor Philip Nolan: The strategy for the future has been set out in the public plan.

Deputy Róisín Shortall: Is it still mitigation as opposed to elimination?

Professor Philip Nolan: It never was mitigation. It was suppression. One of the questions that needs to be asked about the letter that is alluded to is what is the difference really between

the stated strategy, which is to keep numbers at a very low level, and this somewhat more ambitious strategy to eliminate it? When talking about eliminating, in other words going from five, six, seven or ten cases a day to zero cases, one must think of the cost of that versus the benefits and ask what it would really buy us. When we get to zero cases a day and the rest of the world is at some modest number of cases per day, how does one then prevent a resurgence of the virus? Do we completely, hermetically seal the country?

A different strategy is to suppress the virus to very low levels and then engage with our European Union colleagues to see how all of Europe is going to suppress the virus to very low levels. Some countries that have had enormous outbreaks have succeeded in bringing the disease under control and some countries with modest outbreaks have succeeded in bringing the disease to very low levels. While New Zealand is an island of 4 million people, from a geo-spatial perspective it is utterly distinct from the island of Ireland. The strategy in New Zealand was fine for New Zealand but it may not be the optimum strategy for Ireland. I come back to my fundamental point.

Deputy Richard Boyd Barrett: I thank the witnesses for all their work. Undoubtedly it has been a pressured time for them and their colleagues. I am a big supporter of science. Will the witnesses comment on one lesson from all of this, which is the need to invest more in scientific research in this area? Do they feel that the level of Government investment in that area is satisfactory?

The issue of transparency and the governance in our response to Covid-19 is important. Right from the beginning we have been told we were being led by science and I want to dig into that a little bit. Since early March I have asked for the minutes of the expert advisory group to be published, along with the group's recommendations and advices to NPHE. To date, and only as of last week, we got the first two months of those minutes but with none of the recommendations or advices. We are two months behind on the publication of the expert advisory group's minutes and there are no recommendations or advices. This is important with regard to the past and the present. We want to hear, and I certainly want to hear, what the scientists are saying to NPHE, and then evaluate the decisions that are made by NPHE and the Government on the scientific advice. I believe there is a lack of transparency in that. Will the representatives explain why the minutes, with the advices and recommendations, are way behind or are not being delivered at all?

When I looked at the two months of minutes, three of them were significantly redacted. I do not have the time to go into the instances in great detail, but I do not see why they have been redacted. In the minutes of 25 March 2020, for example, under the heading "Mask use by healthcare workers in clinical areas", there are comments from some people asking if something can be recommended if the supplies are not there. Other comments acknowledge that this is happening in other hospitals too. We, however, do not know what is being referred to because the critical section is redacted. It clearly relates to personal protective equipment, PPE, health workers and exposure to Covid-19. Why would that be redacted? Who redacted it? When one considers the high level of infection rates among healthcare workers, which seemed to be significantly high, perhaps the witnesses will comment on this. A lot of the advisory group's deliberations in the published minutes focus on the issue of the exposure of healthcare workers, testing of healthcare workers, PPE for healthcare workers, self-isolation of healthcare workers who have been exposed, and so on. Why would these issues be redacted when they are so terribly important?

I will give another example. On 18 March 2020, a report to the expert advisory group

showed that 7% of cases could be accounted for by asymptomatic transmission, and there was a recommendation from one meeting that passengers coming from northern Italy should be quarantined for two weeks. At the meeting it was said that this suggestion would be relayed to NPHE. It was not. From what I can see, because we have not received the recommendations or advices, it was never relayed to NPHE and it does not appear again at the next NPHE meeting. Why the secrecy around the deliberations of the scientists and experts? Why is there a delay? Why are there redactions if transparency should be key?

Dr. Cillian De Gascun: Certainly, transparency is very important to us. There was no intention of withholding the minutes and the advices. They were shared, albeit lately, this week. With regard to the redaction, the request came in for the minutes. We always anticipated they would be published. In the context of the request, we felt the group should have an opportunity to review things where specific individuals or institutions had been alluded to and in that situation we removed that information. As to the advices, we have gone through up to two months of minutes now. April is currently ongoing and should be ready in the next week or so, and the advices have been provided. However, it is important-----

Deputy Richard Boyd Barrett: No advices were provided. No advices were published at all.

Dr. Cillian De Gascun: I will follow up on that, because they have been signed off by the EAG and my understanding was that they were going to go up online this week. I can follow up on that for the Deputy. We have no problem about our discussions being aired in public. As I said, the only things we have removed is where specific individuals or institutions might have been referenced in the context of a discussion around, as the Deputy said, PPE. Whether that was due to, say, the number of healthcare workers infected or the number of outbreaks, we felt that information, which would not necessarily otherwise have been in the public domain, should not come out through a discussion from the EAG. However, as I said, other than that, everything else has been left in.

Chairman: I thank the Deputy.

Deputy Richard Boyd Barrett: I am out of time.

Chairman: Yes. Deputy Shortall had a very specific question about the methodology of determining the R-nought rate, and asked it of Dr. Holohan. He said that it was being peer-reviewed for publication. We have not heard anything since. Can the witnesses enlighten us, because it is a question that has been asked again?

Dr. Cillian De Gascun: I will refer this question to Professor Nolan.

Professor Philip Nolan: The Chairman is right. We got involved in a discussion on the rest of the matters. That has been published, and I think it was on 21 May, so the work was done and then it was written up. The methodology for the estimation of time-dependent R and the model structure that gives us the other estimation-----

Chairman: Could Professor Nolan send that in to us, if it has been published?

Professor Philip Nolan: It is on the departmental website.

Chairman: That is great, thank you.

Deputy Róisín Shortall: Is Professor Nolan saying it was published prior to the CMO's

comments?

Professor Philip Nolan: No. We were writing it up, I think, while he was here. The date I have that it went up was 21 May, if that is the Thursday-----

Deputy Róisín Shortall: That is the full model for how the R-nought is calculated.

Professor Philip Nolan: Correct.

Deputy Róisín Shortall: Okay.

Chairman: Thank you. Maybe we will have time for some questions at the end. I thank Professor Nolan.

I call Deputy Shanahan for the Regional Group.

Deputy Matt Shanahan: I thank Dr. De Gascun and Professor Nolan for their incredible work. Certainly the State recognises that they have given us service.

I ask Dr. De Gascun to comment on a couple of things and to leave me a bit of time to come back to Professor Nolan on a further issue. With respect to the wet markets in China, I know it is not definite that this coronavirus has come from them, but a significant risk has been identified in the Far East. Does Dr. De Gascun know if Government or the European Union are going to make any representations, in terms of trying to regulate what is going on there, or to close them down?

I know it was discussed earlier but I refer to some of the confusing messages from the ECDC and the WHO, specifically with respect to masks, distancing, and flattening the curve versus what came out in the open letter yesterday. Is there any opportunity to try to reach consensus among the senior medical and policymakers? There has been much confusion. I, as a member of the Regional Group, asked back in March for masks to be made mandatory where social distancing was not possible, and at the time that was rubbished. Now here we are talking to people about making their own masks, so one of the issues that has come up in recent days is this confusion in messaging, and we all have a responsibility to try to get behind a single messaging strategy and promote it.

With respect to testing and tracing, what is the latest on the app development? We have not heard about it, or I have not heard anything about it in recent weeks. Are we close to a phone app and something that might help us prevent a second surge?

Dr. Cillian De Gascun: On the wet markets, it is a really interesting question because that is the problem, to which I alluded in my opening statement. We still do not know where this virus came from. This highlights one very significant challenge in trying to eliminate anything. The only things we have been able to eliminate or eradicate are those agents for which we have a vaccine, and for which we are the natural host reservoir. That does not apply to SARS-CoV-2. I am not aware of any planned representation from the Government to the EU but the Deputy highlights an important point. There were cases reported retrospectively from November with no link to the wet markets so there is still a lot of work to be done in that respect.

We touched on the issue of masks earlier and it comes down to context. The evidence base depends on the type of mask being used and the setting in which it is used. That is the problem with the cloth or home-made masks the Deputy alluded to. The strength of evidence for those is not fantastic but we still recommend them in a setting where physical distancing and good

respiratory etiquette cannot be maintained. It is still advised. There is always a reluctance to make things mandatory as a first port of call but I accept the observation that the uptake in the last couple of weeks has not been as large as we would have expected.

Deputy Matt Shanahan: Could I ask about the app development with regard to testing and tracing?

Dr. Cillian De Gascun: I am not involved in the app development so I cannot give the Deputy any update.

Deputy Matt Shanahan: Professor Nolan might know.

Professor Philip Nolan: It is the same answer, I am afraid, on that one.

I want to make a quick comment on face masks and testing and tracing. They are really important parts of the strategy. What worries me a little is the narrative that they can replace other elements of the strategy. It has been suggested that if only we had testing and tracing in a couple of hours and everybody wore face masks, we could do all the things we used to do. Unfortunately, that is not the case. The evidence remains that reducing contacts, being very careful with handwashing and maintaining some distance, simply not being as intimate as we used to be in our normal ways of going about business, are essential.

Deputy Matt Shanahan: I thank Professor Nolan and apologise for cutting across him. As a member of NPHE, he may be able to answer a question on the deal on private hospitals. Everybody accepts it was very important to get capacity for a surge. We had Mr. Breslin in here last week and he spoke about the potential for revisiting that deal. One of the things he described was that he was bound under a mandate which the Government had described previously where there was not an opportunity for doctors who were working privately full-time to continue working in that way without signing a type A contract. I understand this contract is being revisited. Has Professor Nolan any insight into what the position will be regarding full-time private doctors in this review?

Professor Philip Nolan: No. That is not in my remit.

Deputy Matt Shanahan: I presume NPHE is giving guidance to the Government and the Department of Health on this.

Professor Philip Nolan: Maybe I missed something but not that I was aware of. NPHE advises on the public health situation.

Deputy Michael Collins: I thank Dr. De Gascun and Professor Nolan for being before us today.

Our country has been in lockdown for many months, which has led to many businesses going to the wall. While good political work has been done on many fronts, do the witnesses think it was a mistake to allow the Italian rugby fans into Ireland after their match was called off? Do they think it was a mistake that we did not fully advise those going to Cheltenham from Ireland of the dangers of going over there and coming back?

Professor Philip Nolan: I think Dr. De Gascun should answer first about specific evidence as to whether those travel-related events actually introduced disease.

Dr. Cillian De Gascun: At the moment we do not have specific evidence that the virus was

particularly associated with either of those two groups of individuals. We are an island nation with significant transport to many European countries on a daily basis. I do not think we have evidence to support the assertion that they were the only points of introduction for the virus.

Deputy Michael Collins: If we have a second wave of Covid, which nobody can be sure of but the worry is there, is the country prepared for such a wave? Are our nursing homes and community hospitals prepared for a second wave of Covid-19 if it strikes?

Professor Philip Nolan: We need to be careful about use of the term “second wave”. I wish we did not use it. I would prefer we thought about the possibility, rather than probability, of a significant resurgence of the disease at some point. It is possible that we might have a significant resurgence of the disease at some point. We must prepare for that eventuality. It may not happen and we should work to prevent it happening. We have learned a great deal during the past 100 days which would have us better prepared for any second resurgence. The strategies would, perforce, be different. They will be different in nature from the first time out and we will have more knowledge and experience which we would apply to any second significant development.

Deputy Michael Collins: Are the witnesses aware that some laboratories in Ireland can give same-day Covid-19 results and should the HSE concentrate on those laboratories so we can speed up same-day testing and results?

Dr. Cillian De Gascun: The plan for the second half of March and the start of April was to build up capacity for large-scale testing. We had a significant number of samples that could not be tested in real time. They were exported for testing and we were very grateful for that.

As the Deputy stated, demand for testing has dropped significantly and there is capacity on the island to do that. I am not familiar with the technicalities of the arrangement with all of our commercial partners, but we certainly want to reduce the turnaround times insofar as we can. Ultimately, however, what we need people to do is to get themselves tested quickly if they develop symptoms and then self-isolate. Self-isolation is the control measure that is really important. Testing is just one element of the whole suite of public health measures. We want people, therefore, to identify themselves quickly if they have symptoms and then self-isolate and not transmit the virus onwards.

Deputy Michael Collins: Should our doctors and nurses be testing for Covid-19 to speed up detection in hospitals, nursing homes and clinics?

Dr. Cillian De Gascun: We touched on this earlier. It is an interesting discussion because we know the prevalence level is very low now. It is a question, therefore, of how best to target individuals in the healthcare setting and to obtain usable and helpful information. If we test everybody on a Monday morning and the virus is not detected in any of them, that does not tell us anything about the rest of the week. It is important that testing, in and of itself, does not come to be seen as a shield against infection. What we really want to do in our hospitals is ensure we have sufficient staffing, PPE, infection prevention control training and support for all our healthcare workers because they are at the front line. Testing, in and of itself, however, is just one component. As I stated, work is ongoing to identify the best way to use testing to support our measures over the coming weeks and months.

Chairman: I thank Dr. De Gascun and Deputy Collins. The next speaker is Deputy Butler.

Deputy Mary Butler: I could not agree with Dr. De Gascun more when he stated that we

need to keep one eye on the future to ensure Ireland can learn lessons. Recent data are encouraging, but we must be wary of a possible resurgence of the virus.

South Korea endured SARS in 2002, influenza in 2009, MERS in 2015 and now Covid-19. The country, with ten times the population of Ireland, has had great success in suppressing the virus. Test, trace and isolate is the three-legged stool of South Korean health policy, as I am sure Dr. De Gascun is well aware. Have we reached an adequate level of testing and tracing here? Does he believe that the public is buying in? Public buy-in is crucial. As we have moved to phase 2 in recent days, it is now more essential than ever that public buy-in continues.

Dr. Cillian De Gascun: I agree with that sentiment and this comes back to something that Deputy Boyd Barrett said earlier concerning investment in research. South Korea was in a position to act in the way it did very early on because investment had been put in place after the country's experience with SARS in 2002 and MERS in 2012. From our perspective, we had to react in an emergency setting to the emergence of SARS-CoV-2. We had to put in place what Paul Reid termed a wartime structure of sampling and public health contact tracing. We had to put that in place, in part, for a variety of reasons and, not apportioning criticism, there has been underinvestment in our public structures over several years.

Deputy Mary Butler: Are we at an adequate level of testing and tracing in light of the current numbers?

Dr. Cillian De Gascun: We certainly have significant capacity for testing and tracing, but it is based on a system that has seconded staff from other sections of the public sector who, all going well as we reopen Ireland through the coming phases, will have to go back to their day jobs. We will still need to have a structure in place. As stated, my understanding is that the HSE is working on that proposal.

Deputy Mary Butler: Obviously, public buy-in is crucial.

Chairman: Does Professor Nolan wish to contribute on that point?

Deputy Mary Butler: I have a separate question for Professor Nolan. South Korea utilised contact and tracing data very effectively. It was very forthcoming in providing information on the location of clusters. Do the witnesses accept that better knowledge of clusters and their locations might have led to a better outcome here? I am referring specifically to meat factories and residential care homes. The authorities here were very slow to discuss anything relating to clusters. That issue has been raised several times at this committee.

Dr. Cillian De Gascun: Professor Nolan may wish to address that question.

Professor Philip Nolan: I will make some general comments on the issue. First, test, trace and isolate is only part of the strategy in South Korea. There is also extreme social distancing and significant use of barriers. Second, South Korea is a different country with a different view on issues relating to privacy and data protection from the view that might be prevalent in Ireland. Third, I reiterate that we have the testing and tracing regimen that we need. It is a question of sustaining it. One must be very careful about asserting that test, trace and isolate is a substitute for other things. For example, one can test too soon. If I were unfortunate enough to infect the Deputy today, there would be no point in testing her today, tomorrow or the day after. It takes three or four days before one begins shedding the virus. We need to be very careful about how we use test, trace and isolate. It is very important as a supplement to all the other control measures we are using.

Deputy Mary Butler: I thank Professor Nolan and Dr. De Gascun for appearing before the committee and for their work to date. The expert opinion and analysis of the Irish epidemiological modelling advisory group chaired by Professor Nolan informs NPHE and plays a major role in the implementation of modelling on the ground. The strategy of prioritising acute hospital settings was made at a very early stage. At what stage was that strategy applied to nursing and residential care homes?

Professor Philip Nolan: That was not the case. The initial strategy was threefold. First, it was to ensure that the health system was not overwhelmed. At the same time, we were very focused on reducing community transmission. From the outset, there was specific reference to sheltering the elderly and specific needs in long-term residential care, as people will see if they goes back to the announcements made on 11 March. I acknowledge that because everybody was worried about ICU beds and acute hospitals, it seemed that the focus was on acute hospitals. In fairness to NPHE, its focus was on the need to suppress the virus in the community and protect acute hospitals and the vulnerable. It will always come back to that. One can take specific measures to protect people in congregated settings if the virus is wild in the community, but the only way to fully protect them is to have the virus at incredibly low levels in the community. If it is at high levels in the community, there will be some transmission into congregated settings despite of everybody's best efforts. When it gets in there, as the Deputy is aware, it is, tragically, very difficult to control and very lethal. In fairness to NPHE, it was a tripartite strategy from a very early stage.

Deputy David Cullinane: I welcome the witnesses and thank them for their service in recent months and for the work they have done. I will put distinct questions and ask that they provide distinct responses because each Deputy only has five minutes.

We have a plan to reopen the economy. It involved five phases but this has been reduced to four. I have seen the fruits of that. I drove up from County Waterford today and it took a bit longer to get to Dublin city centre than it did last week. It is obvious that people are moving around and are out and about more.

I wish to come back to something Professor Nolan stated a couple of times. He used the phrase "the possibility of a significant resurgence" as opposed to a second wave. I accept that and think it is the correct terminology. He also said in response to Deputy Carthy earlier that there may be the possibility of what he described as manageable outbreaks or a manageable resurgence. What we need to know and what I am sure the Government needs to know in regard to a manageable outbreak is what the reproduction number is. I am sorry but I am pressed for time. At what point does it switch from being a manageable resurgence to an unmanageable resurgence? What is the reproduction number that would tip the balance from manageable to unmanageable?

Professor Philip Nolan: The strategy is to keep the reproduction number as low as possible, so that is number one. Second, when case numbers are very low, it is very hard to estimate what the reproduction number is. As soon as it is above 1, we are encountering difficulty and the further it is above 1, the bigger the problem. I am not stretching out the time here. What really matters is the product of the number of cases and the reproduction number.

Deputy David Cullinane: I understand that and I also understand all the other parts, in particular the holistic approach and the individual responsibilities that come into it, and that the control measures and all those factors are important. However, there has to be a number. Is Professor Nolan saying the number is above 1 and that if it went above 1, that creates a dif-

faculty and that is where the risk becomes unmanageable?

Professor Philip Nolan: We have to remember that this is a virus and it does not accept human desire or control.

Deputy David Cullinane: I understand that.

Professor Philip Nolan: We cannot play with it that way. Again, I am not evading the question. I am saying we need to keep the reproduction number as low as possible and case numbers as low as possible, commensurate with the need to get-----

Deputy David Cullinane: Professor Nolan's job is to provide that data and that modelling. We know it is a virus and we know it is a virus that spreads. If it spreads more quickly, we may have more community transmission as a consequence of more people moving about. I am asking what is the number. There has to be a number when Professor Nolan is doing the modelling and when he is providing the Government with advice. All I am asking is if that magic number or key number for the reproduction rate is above 1?

Professor Philip Nolan: If the reproduction rate is approaching 1, I would be sounding an alarm. If it is above 1, I would be sounding a louder alarm. If that is accompanied by a large number of cases or outbreaks that we would not have expected, I would be sounding an even louder one. We have to look at the risks as an amalgam of three or four different measures.

Deputy David Cullinane: I will move to Dr. De Gascun. With regard to the control measures, obviously, to keep that below 1 involves many different things. The witnesses are both right in saying that testing, tracing and isolating is one part of the component. We also have to make sure that we have capacity in our hospitals. Dr. De Gascun knows that the contract with the private hospitals will come to an end and we are being told by the Minister for Health that, because of infection control, we may see fewer beds in the system. Again, what modelling is being done in terms of the potential capacity that might be needed in our hospitals? Second, in regard to those control measures, there seems to be mixed opinion and even mixed signals in regard to the wearing of masks and the 1 m versus 2 m distance. From the perspective of Dr. De Gascun's advisory group, what advice is being given to the Government? I want to ask a very direct question. We have a plan to open the economy and everybody wants to see it happen as quickly as possible. Is Dr. De Gascun satisfied that we have a plan to manage the virus that will co-exist with the now accelerated plan to reopen the economy?

Dr. Cillian De Gascun: In the context of the reopening, we have learned a lot more from the first roadmap of five phases that was put in place. We have learned from other countries, we have seen how they have reopened and we have seen, thankfully, that there have not been significant resurgences across the vast majority of those. That has given us more confidence, in conjunction with what we have achieved locally, that we can move through the last two phases and that they can be combined from three into two at this point.

I am sorry, I have forgotten the middle part of the Deputy's question.

Deputy David Cullinane: The middle part was in regard to the wearing of masks. Specifically, what I am asking is whether Dr. De Gascun is satisfied across all those holistic measures, whether it is wearing a mask or any of the other issues, that there is a plan to deal with Covid as well as a plan to reopen the economy? Are both in sync, in his view?

Dr. Cillian De Gascun: Yes, they are. In the context of healthcare service and private hos-

pital capacity, in essence, our healthcare system has been operating at a greater capacity than it should have been. The recommended best practice is about 80% occupancy. Obviously we have been over that for a number of years, so that is key that we need to get back to.

Chairman: I call Deputy O'Dowd.

Deputy Fergus O'Dowd: How much time do I have?

Chairman: It is ten minutes if Deputy Carroll MacNeill is not speaking.

Deputy Fergus O'Dowd: I welcome the witnesses and reflect the view of the public that they are doing a fantastic job. People really appreciate their professionalism, calmness, knowledge and the way they impart information on the activities which are proportionate to what we need to do to beat this virus.

I understand that the witnesses are here to explain their understanding of the behaviour of the virus and how we minimise future appearances of it. My view is that the largest number of people at risk are those with underlying health conditions, people who are over a certain age and people who live in nursing homes or congregated settings. If the evidence is very clear that 67% of nursing homes are non-compliant with all of the regulations, and if the percentage has dropped, in terms of the last figures on compliance that we have, from 27% compliant in 2017 to 23% in 2018, our biggest problem if this virus reappears and we have an influenza outbreak - the latter is extremely likely - is how we deal with that. Understanding all of the information we have and the knowledge that the witnesses have, what additional steps do we need to take to protect those vulnerable people?

Dr. Cillian De Gascun: I can speak from a virology perspective. I am not necessarily up to speed with the measures in all of the individual nursing homes. However, at this point in time we know that the majority of virus transmission occurs through either direct contact or droplet spread or, in certain circumstances, and perhaps more so in hospitalised setting, where aerosols are generated in the course of an aerosol generating procedure.

In the context of trying to prevent transmission, it comes down to good infection prevention and control measures, which obviously includes the use of appropriate PPE and ensuring that we have sufficient supplies of PPE for all settings in the healthcare system, whether that be nursing homes, residential care facilities or acute hospitals. One of the challenges that we have seen in recent months in residential care facilities is that these are not straightforward healthcare settings. They are peoples' homes and that makes it more challenging than an acute hospital setting from the point of view of deep cleaning, disinfection, sterilising, physical distancing and all of those things. These are social settings and that is one of the benefits of them from the point of view of managing individuals after they go into residential care.

From a virus perspective, ultimately it can be controlled with physical distancing, good hand hygiene, good respiratory etiquette, and it will need, as I said, adequate supplies of PPE, increased cleaning and maybe a review of some of the soft furnishings and that type of thing where the virus is difficult to eradicate. We have to learn from the experience that we have had during this first iteration of the virus so that we are in a better position and more prepared should we see a resurgence.

What is interesting, as an aside to highlight, is that Australia is in its influenza season at the moment and, from memory, they have had their mildest May in terms of an influenza season for over a decade. It is significantly down on last year, and presumably because of the indirect

benefits of physical distancing, good respiratory etiquette and good hand hygiene. All of these things that we are recommending for SARS-CoV-2 should actually benefit us for influenza as well when the time comes.

Deputy Fergus O'Dowd: While I respect Dr. De Gascun's contribution, the fact is that the staffing levels, the skills mix and the competencies in these congregated settings are not adequate, and that is the view of HIQA. They are not commensurate with what is actually required to deal effectively with the escalating care needs during a Covid-19 outbreak. That is the benchmark we now have. Thankfully, we are alerted to this now and I know that there is a lot more co-operation between the HSE and the private and public nursing homes sector, but we need to do more. I am not happy that we are doing enough. My next question is because of Dr. De Gascun's professional knowledge. I presume the flu vaccine should be administered to all people who work in congregated settings.

There is the question of face masks for people in older age groups. Yesterday, the WHO recommended that people aged over 60 should wear medical standard face masks. That is the recommendation and I appreciate we are speaking about it today. If people go to buy a face mask on Amazon, they know the colour is blue but they do not know whether it is medical or not. The point raised by the member of the Labour Party is that we should have an adequate and available supply of medical standard face masks for those the WHO recommends wear them. I do not know whether Dr. De Gascun has a view on this.

Dr. Cillian De Gascun: I will take any opportunity to advocate the influenza vaccination for all groups because it is a vital component of controlling influenza. It is the most effective measure we have.

In the context of healthcare workers, whatever the setting, if they are engaged in near patient care, face masks are recommended and it is important that we prioritise medical grade masks for that setting. The area of masks in the community is one we have touched on and it is more challenging, certainly from an evidence base. We recommend them for people who are symptomatic and those who cannot maintain adequate physical distancing in public, such as on public transport or in retail settings. That is the advice at present and we really want people to take it on board.

Deputy Fergus O'Dowd: The point is the WHO has stated that those aged over 60 should wear one. What is the view of Dr. De Gascun on this? Does he not think that is where we should be?

Dr. Cillian De Gascun: That guidance came out earlier this week-----

Deputy Fergus O'Dowd: Yesterday.

Dr. Cillian De Gascun: -----and certainly as a group we have not had an opportunity to review it and see on what evidence it is basing this decision. It seems like a practical approach but in essence it depends on the setting, such as if people are outdoors and physically distanced. People do not necessarily need to wear masks universally all of the time. As I said, as new guidance comes out from the WHO, it is fairly standard practice for us to keep it under review and see how it impacts our existing guidance.

Deputy Fergus O'Dowd: It may not be Dr. De Gascun's responsibility but the point I am making is if that is the recommendation-----

Chairman: Is the recommendation that they are worn at all times or only in areas of high incidence?

Deputy Fergus O'Dowd: The recommendation is for those aged over 60.

Chairman: Is it in areas of high incidence?

Deputy Fergus O'Dowd: It is everybody aged over 60. That is the reality. There is a group of people who are older, and I happen to be one of them and thankfully healthy at present. I speak to a lot of people and they are worried about their health. I am not criticising anybody here and I want to state this exceptionally clearly. We need to make sure that if this is what the WHO is saying, we must make sure it happens and make sure people who need masks can get the appropriate and proper ones. If somebody is more vulnerable by virtue of their age or a medical condition, we have to make sure they get medical masks.

Chairman: We will have a representative of the WHO before us on Thursday.

Deputy Fergus O'Dowd: People going on Amazon do not know what the hell they are buying. It is important that appropriate and proper sources be identified.

My next point is based on what I have read and the witnesses should contradict me if I am wrong. Apparently Hong Kong has had no fatalities or deaths in nursing homes for older people. Are there lessons we can learn from this if it is the case?

Dr. Cillian De Gascun: It is very important that we try to learn lessons from other countries that have had different experiences to ourselves. In the setting of an emergency it is difficult to take those lessons but the importance of the committee's work is try to identify lessons that can be taken from other jurisdictions and things we can do better when this happens again because, as I said earlier, we have had SARS, MERS and now SARS-CoV-2, and this will be an element of our new normal in the coming decades. We will see it again. In the context of the WHO guidance, however, as I said earlier, I do not pre-empt any decisions on any new guidance that comes out but we would certainly review it, either at NPHE level or through the expert advisory group and we would then make advice.

Deputy Fergus O'Dowd: What about my question on Hong Kong?

Dr. Cillian De Gascun: I am not familiar with that. My understanding is that Hong Kong locked down early on and a suite of measures was taken. I do not know what measures they implemented in their nursing homes.

Deputy Fergus O'Dowd: Can I come in?

Chairman: I am sorry. We have to move on.

Deputy Fergus O'Dowd: I will be quick.

Chairman: If there is time at the end then you can come in again.

Deputy Fergus O'Dowd: In Hong Kong they prioritised older people by placing them in acute hospitals rather than in nursing homes. That is the difference.

Chairman: I thank the Deputy for that contribution. I call Deputy Foley.

Deputy Norma Foley: I welcome the witnesses and I acknowledge their sterling work and

leadership as we journey through the Covid-19 pandemic. There has been much discussion this morning and elsewhere on face masks and on testing and tracing but as Professor Nolan rightly said, there is much more involved, whether it is social distancing, handwashing or a variety of measures. In that respect, I want to raise an issue that has been raised with me by a number of my constituents in Kerry, namely, the matter of virus transmission on surfaces. To be specific, how long can the virus survive on surfaces, whether they are plastic, metal, wood or packaging? I ask either or both of the witnesses to answer that question first and then I have a second question depending on their answers.

Dr. Cillian De Gascun: In experimental situations or circumstances, the virus can survive on plastic and steel for up to three days but because that is in experimental conditions in a laboratory that does not necessarily translate directly into the real world. However, that is the evidence we have at this point in time.

Deputy Norma Foley: This query has been raised with me by teachers, for example, as we have been preparing for the opening of schools. Businesses, homemakers and bus operators have also raised this matter with me. In that respect, frequent reference is made to cleaning and deep cleansing, etc. What specifically do the witnesses envisage for classroom settings or bus operators when we speak of deep cleansing? What does that involve?

Dr. Cillian De Gascun: The specific decisions on that and the job of putting plans in place will be up to the relevant Departments. The advice on cleaning is that it depends on the footfall of a workplace. Notwithstanding the conversation we are having, this virus will not jump off a surface and infect somebody. One will need to touch it, contact it and then touch one's face, nose or mouth. People need to take responsibility themselves when it comes to practising good hand hygiene, avoiding touching their faces and avoiding their masks if they are wearing one. In the context of cleaning, this virus is not necessarily particularly robust. I imagine that the standard detergents that are used for cleaning will be successful in killing it. We should look at instituting a more regular cleaning regimen. If that is in a school, one would imagine that could involve a clean at the end of the day, just before the students come in the following day. It is important for me to qualify this by pointing out that this is not my area of expertise but if one wants to ensure the virus is not on a surface the following day in a school setting, then the surfaces that are commonly touched should be cleaned down at the end of the day and in advance of the students presenting the following morning. On public transport, I imagine it comes down to individual responsibility at passenger level but I imagine that a routine clean on a daily basis for the commonly touched surfaces would be beneficial. I do not know if we will ever be able to eliminate risk completely, which is why individuals have to take a certain amount of responsibility in practising good hand hygiene and in ensuring they do not touch their faces or masks if they are using one.

Deputy Norma Foley: For example, I know some operators are looking at vacating a classroom for a day for a deep clean so that 24 hours pass without any children being in that room. Does Dr. De Gascun envisage a need for such measures going forward?

Dr. Cillian De Gascun: Again, cleansing is not my area of expertise but in the context of what we are trying to achieve, if we believe there is a risk of the virus being present on a surface at the end of a school day and we want to ensure it is gone before the start of the next school day, we cannot just rely on the presumption that it will desiccate or become inactive overnight from a virology perspective.

Deputy Norma Foley: Reference has been made to the fact that there may be another out-

break later this year. That will also be the influenza season. Is Dr. De Gascun confident that we are prepared to tackle or live with both at the one time? What measures will be needed?

Dr. Cillian De Gascun: We see every year that our influenza season poses challenges for the health service, but I alluded to Australia earlier and we may get indirect benefits from this. The measures we have talked about in the context of this pandemic are hand hygiene, physical distancing and good respiratory etiquette. Setting aside physical distancing, we probably should have been practising good hand hygiene and respiratory etiquette already. It should not necessarily be terribly remarkable. As I said, in Australia, although it is early days, they seem to have seen a benefit of such measures on their influenza season. If we can carry those behaviours with us, we may be able to have an impact on the influenza season. If the two viruses strike in tandem, it will certainly be very challenging, but I think what we have demonstrated over the past three months is that, as a society, we can control the virus. It was really important to be able to demonstrate that and learn that lesson.

Deputy Pearse Doherty: Cuirim fáilte roimh ár n-aíonna chuig an choiste. Professor Nolan said in response to a question from my colleague, Deputy Cullinane, that he would be sounding warnings to the Government if the reproduction rate approached or exceeded 1. What does Professor Nolan believe would be the appropriate public health responses if that circumstance were to materialise? Does he believe further restrictions would be required in that event?

Professor Philip Nolan: The appropriate public health response would depend upon the reason the reproduction number was doing that. In other words, is there a region where there is viral transmission? Is it a set of circumstances? Perhaps it is a set of workplaces in which the virus has been transmitted or, worse still, it is in the general community. The response would depend upon the setting. Perhaps there is a particular type-----

Deputy Pearse Doherty: Let us look at if the virus is in the general community as opposed to a localised setting.

Professor Philip Nolan: If it is in the general community, we need to begin to re-escalate those measures that keep people apart from one another and, therefore, keep them from transmitting the virus. I imagine that if there is a resurgence of the disease, it will be clearer to us. Is it because we have restarted this kind of activity? I will not mention any specific activity because then it will become the one that-----

Deputy Pearse Doherty: It is possibly a matter of going one step back as opposed to returning to the starting line.

Professor Philip Nolan: I ask the committee to remember how bad things were at the end of March and how urgent it was to stop the virus. Everything had to be thrown at it. A resurgence would be different.

Deputy Pearse Doherty: I appreciate that. It is clear.

I wish to ask Dr. De Gascun about risk. I refer to the difference in the level of risk between 1 m and 2 m social distancing. Is the risk of transmission 1% for 2 m and 30% for 1 m? Is that Dr. De Gascun's understanding? Can he explain that to us?

Dr. Cillian De Gascun: That is what the WHO is quoted as stating, which is a nice communicable message for members of the public. It is important to realise that this comes down in essence to droplets, which may or may not contain virus particles. If people cough, sneeze,

laugh or even speak or breathe, we know that the large respiratory particles, or droplets, coming out of their mouths drop very quickly - it is gravity - typically within 1 m to 2 m. We also know, however, that there are smaller particles that take a longer time to drop. They can stay in the air for a number of hours, and that is really the concern. They can also be moved around by wind currents. We know, therefore, when it comes to 1 m versus 2 m versus 3 m, the farther away one is, the better. However, we obviously need to get the balance right in the context of what risk we are willing to accept and what we can tolerate as a society. When we looked at this from a starting point of 1 m versus 2 m, we found there is not a huge evidence base that compares 1 m versus 2 m and tells us which is better.

Deputy Pearse Doherty: Do the witnesses agree that it is 99% versus 70% or do they have a different level of risk for each-----

Dr. Cillian De Gascun: No, I think we would accept that, but it will be very difficult to quantify-----

Deputy Pearse Doherty: Of course.

Dr. Cillian De Gascun: -----because, obviously, things do not stop at 1 m-----

Deputy Pearse Doherty: I understand that.

Dr. Cillian De Gascun: Everything is a gradient.

Deputy Pearse Doherty: It depends on how somebody coughs or sneezes and so on.

Dr. Cillian De Gascun: Yes, exactly.

Deputy Pearse Doherty: Is it riskier for me to be in 1 m contact with someone with Covid-19 who is wearing a face mask rather than 2 m away from someone with Covid who is not wearing a face mask? Which is riskier?

Dr. Cillian De Gascun: That is a great question. I am not aware that data exists in that context. We know that masks are not 100% perfect. There are different types of mask so it depends which mask a person is wearing. In essence, if a person has a medical-grade face mask, it is not sealed to the face but tied around the ears. There will be air escaping, typically over the bridge of the nose, around the side and perhaps under the chin. If a person is wearing one of the higher-grade medical masks with a filter, then it should be completely sealed. It depends on the mask the person is wearing. Broadly speaking, a mask is better and being farther away is better, but I cannot try to give Deputy Doherty an absolute number on that.

Deputy Pearse Doherty: Let us suppose a person who had covid was wearing a mask and I was 1 m from the person. Is it fair to say it would be safer for me than the person who is not wearing a mask who was 2 m away from that person?

Dr. Cillian De Gascun: The farther away someone is from a person who has the infection, the better. In essence, what the infected person is doing by wearing a mask is reducing the amount of particles being emitted, but the number is not reduced to zero. It is a matter of reduced risk. I am afraid I cannot give Deputy Doherty an exact answer on it.

Deputy Pearse Doherty: I want to discuss where many people are at this point. There is a belief that the restrictions may change in September. As Dr. De Gascun said earlier, we get more knowledge on the virus as time progresses. Will we have social distancing in our class-

rooms in December, January and February next year? Will that mean only eight children in the classrooms that used to have 24, 25 or 26 children? What does that mean for the education of our young people?

Chairman: Thank you, Deputy.

Deputy Pearse Doherty: Does Dr. De Gascun believe that as we gain more experience or evidence of the virus this could possibly change and those social distancing measures for that cohort could change?

Chairman: You may answer, but briefly, please, Dr. De Gascun.

Dr. Cillian De Gascun: I think it will be very difficult. Obviously, we keep under review the guidance we issue. If anything comes out around the context of 1 m versus 2 m that we can look at to inform or provide better advice, then we will do that. However, based on the decision made, and given the evidence we had to hand at the time, we took the view that 2 m was the better option.

Chairman: I wish to ask a couple of questions. Is there a difference between sustained human transmission and limited human transmission? Are those definitions readily used?

Dr. Cillian De Gascun: Professor Nolan may wish to come in here. Sustained community transmission basically means that there is ongoing transmission of the virus in the community. Limited transmission means, in essence, that it will taper out over time. That may be in a particular setting or may be confined to a particular geographical area, an area of employment or clusters. Sustained transmission typically means it is self-sufficient, as it were.

Chairman: The Department of Health re-categorised retrospectively several cases from community to local transmission at one stage. Can you tell us a little about that? It was in response to World Health Organization definitions. On 5 May, the Department retrospectively re-categorised several cases.

Dr. Cillian De Gascun: I do not have that information to hand.

Chairman: A journalist put that in the public domain. In any event, you do not have the information.

Dr. Cillian De Gascun: It is not to hand - I am sorry about that.

Chairman: I want to ask about the types of testing. Both witnesses have pointed out the inadequacies of testing, at least for the initial period after being infected. Is there an alternative type of testing that is more effective like blood testing?

Dr. Cillian De Gascun: I would not use the word “inadequate”, if that is all right. There are limitations, clearly. There will be a latent period between the time that a person becomes infected and the time we can detect the virus in the person’s nasal pharynx or throat. A blood testing option is available. It does not have a role in acute diagnostics at this point. This is because although tests have been developed, when they were evaluated we concluded they lacked sensitivity. In essence, if we are doing a blood test what we are looking for is antibody, which is the host response to the infection rather than the infection itself. From the time the person becomes symptomatic we know it takes between seven and 14 days to develop. That would mean an even longer delay. However, antibody testing can play a role. This is work we will be doing in the second half of this month. At a population level it can give us an indication of how

many people or what proportion of the population may have been exposed to the virus.

Chairman: How much does the testing carried out in the national virus reference laboratory cost per test?

Dr. Cillian De Gascun: It depends. Our test costs have evolved over time because it depends on the platform and the number of tests being done. It also depends on the yield, the staff input and so forth. I do not know that I can give the Chairman a figure off the top of my head but broadly speaking, molecular tests or PCR tests would cost in the region of €40 to €60 in the laboratory setting. As I said, it will depend on the platform being used and on volumes.

Chairman: We heard at the very start that the virus has largely been driven from the community and is limited to clusters now. Is that pretty much where we are at? The witnesses said we have driven the virus out of the community to a large extent.

Dr. Cillian De Gascun: That is what we have seen. It is important to remember that although the numbers have been very positive and encouraging over the last few days, the case numbers we are reporting this week refer to infections that would have occurred seven to ten days ago. As our colleagues in public health and the HSE do more investigation into cases on a daily basis, we will get more information about those. Obviously we saw surges around places of employment but my understanding from the data this week is that more of the cases seem to be related to household contacts which is why we want people, as soon as they develop symptoms, to isolate themselves, contact their GP and get tested so that they are not infecting other people in the household.

Chairman: Is it fair to say there are areas of the State in which it is not believed there is community transmission at the moment?

Dr. Cillian De Gascun: That is a really good question. I do not know that I can say for definite but we know there are areas that have not had reported cases for a number of days, if not weeks. Is it possible to say that there is no virus circulating in those communities at all-----

Chairman: It is not to say that there is no virus but rather that we do not believe the virus is being transmitted in the community in those areas, as opposed to in clusters.

Dr. Cillian De Gascun: Certainly the geographic data we have would suggest that there are certain regions of the country that do not have an awful lot of circulating virus in the community but one must bear in mind what we said earlier. Thankfully through the first phase of reopening we did not see a huge increase in the number of cases but obviously as we move into the next phase, based on the incubation period, we are still seven to ten days behind the real-life picture.

Chairman: Is that something Professor Nolan wants to come in on?

Professor Philip Nolan: There is a very uneven distribution of prevalence across the country right now because essentially we froze the epidemic at a point in time. We need to be very careful now as people start moving around again that we do not transfer it from one part of the country to the other.

Chairman: At the moment it is limited to certain areas of the country.

Professor Philip Nolan: Yes. I wish to make a point relating to the discussion about face masks, distance and surfaces. All of that work is based on understanding how droplets transmit. We know that the virus lives here for a while and can be transmitted over a certain distance.

What we do not know is how likely that is then to lead to infection. Simply because the virus is there does not mean it is going to infect a person. Part of the reason for the uncertainty around 1 m versus 2 m, or face masks versus no face masks, is that even though we have evidence about what they do to droplets, we have very limited evidence about what they do to a person's actual chances of catching the virus. That is why there is a constant erring on the side of caution; it is not necessarily erring but if one is going to make a mistake, one needs to make it on the side of caution and not on the side of liberty.

Chairman: Deputy Boyd Barrett assures me that his question is very short. Deputy Shortall also has a question but then we need to get out of here to stay within the two-hour limit. I thank the witnesses for their illuminating answers throughout.

Deputy Richard Boyd Barrett: Is that a reference to minimum infectious dose? My question is whether the witnesses think the lack of PPE and staff shortages in our public health system, which seemed to preoccupy a lot of the debates in the minutes-----

Chairman: A short question, Deputy.

Deputy Richard Boyd Barrett: -----contributed to the high infection rate among health workers in the hospitals?

Professor Philip Nolan: We do not have time to go through this right now, but I do not necessarily believe that we have a high infection rate among healthcare workers. The peak infection rate among healthcare workers here was approximately 1%, and that is despite very high levels of testing. Many people who are very close to me are healthcare workers and I am anxious that they are protected, but I am also anxious that we work with the facts. What we are looking at is the proportion of cases that are among healthcare workers, which is not a good measure. Perhaps in other circumstances we could work through this question. While healthcare workers are at risk, it is not clear as yet that there was a greater incidence of disease among them in this country in comparison with others.

Deputy Róisín Shortall: Are there additional measures the witnesses believe we should be taking in order to minimise the risk of an upsurge?

Professor Philip Nolan: There are none, but I am really worried that we will become forgetful about the basics of washing hands and keeping a little distance between each other. That is not so much an additional measure as a reinforcement of those basic things that are so easy to forget.

Dr. Cillian De Gascun: There is also the fact that Irish people tend to be very good about going to work when they are sick. We have that complex whereby we feel we cannot call in sick or stay at home. That is really important as well. If people have respiratory symptoms for whatever reason, they need to stay at home in the coming flu seasons because if they are going to work while coughing and sneezing, they are transmitting something.

Deputy Róisín Shortall: The witnesses do not think there is a need for any stricter quarantining for people coming into the country. Is that the case?

Dr. Cillian De Gascun: It is my understanding that that advice has already gone forward. If we want to suppress infection here, we absolutely need to control the virus coming into the country as well.

Chairman: Professor Nolan has signalled his agreement to that statement, so we will conclude this session. I thank the witnesses.

Sitting suspended at 1.07 p.m. and resumed at 2 p.m.

Reopening the Economy: Supports for Business

Deputy Mary Butler took the Chair.

Acting Chairman (Deputy Mary Butler): I welcome Mr. Danny McCoy, CEO of IBEC, and Mr. Neil McDonnell, CEO of ISME.

I wish to advise the witnesses that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to this committee. If you are directed by the committee to cease giving evidence in relation to a particular matter and you continue to do so, you are entitled thereafter only to a qualified privilege in respect of your evidence. You are directed that only evidence connected with the subject matter of these proceedings is to be given and you are asked to respect the parliamentary practice to the effect that, where possible, you should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

Members are reminded of the provisions in Standing Order 186 that the committee shall also refrain from inquiring into the merits of a policy or policies of the Government or a Minister of the Government or the merits of the objectives of such policies. While we expect witnesses to answer questions asked by the committee clearly and with candour, witnesses can and should expect to be treated fairly and with respect and consideration at all times in accordance with the witness protocol.

I invite Mr. McCoy to make his opening remarks. If he could limit them to five minutes, it would be appreciated.

Mr. Danny McCoy: I thank the committee for the opportunity to address it. IBEC is Ireland's largest business representative organisation. Our positions and policies are shaped by our diverse membership, which comprises businesses that are home grown, multinational, big and small and employ up to 70% of the private sector workforce in Ireland. The structure of our membership is reflective of the Irish economy, with just over 10% employing over 250 people or more. Some 30% are medium-sized businesses employing between 50 and 250 employees. The majority, over 60%, are firms employing under 50 employees.

IBEC is a substantial business. We have a team of 245 professionals and 36 trade associations covering a range of industry sectors, including retail, financial, food, drink, telecommunications, medtech, biopharma, property, utilities, forestry, audiovisual, manufacturing, travel, hospitality and many more I am sure I have left out. Our Small Firms Association, SFA, along with the small and medium enterprises across our sectors, also capture the breadth and diversity of business across our country. We have six offices around Ireland as well as an international office in Brussels. Therefore, we get to see and evaluate our impact internationally, nationally and within sectors. IBEC is also Ireland's largest lobbying organisation.

The immediate ask is that we put significant measures in place to protect the livelihoods of households and businesses, get people back into jobs and bring forward maintenance and in-

vestment projects from an extended capital plan. For now, the immediate actions required from Government are as follows: the replacement of the 2 m social distancing to a 1 m requirement; the removal of the quarantine restrictions; and an extensive and systematic Covid-19 track and trace programme. These are the immediate issues for the reopening of the economy. Business does not believe the timing of quarantine impositions at this point in the public health curve flattening is either logical or implementable given the reality of the shared island of Ireland. It is also an unnecessary impediment to recovery along with an unco-ordinated approach to the valuable common travel area arrangement with the UK.

IBEC recently launched our Reboot & Reimagine campaign which provides a blueprint for a sustainable future for Ireland. Through our campaign we aim to influence and galvanise stakeholders positively on a co-ordinated response to the social and economic destruction caused by Covid-19 and address the major structural challenges from both the past and present. This framework looks at three phases: the first 100 days; to the end of 2020; and then beyond to 2023. There are more than 200 recommendations across the 7,500 IBEC members. It is a synchronised and phased response to address the economic and business impact as well as achieving a better Ireland in the reimagining aspects.

Our recommendations involve six themes: engagement and crisis management; the fiscal policy and stimulus measures required; getting people back to work; stimulating investment in the context of the national development plan; reimagining a better Ireland; and seizing international opportunities and responding to Brexit.

On engagement and crisis management, we need to establish a more extensive social dialogue model, one IBEC has been referring to for over a year, because we need to be able to react to the all-island dimension, the sustainability criteria and the changing patterns of our business models. I think that social dialogue model will be crucial. We need more private sector involvement in the risk assessment.

On the fiscal policy and stimulus measures, we seek an immediate roll-out of an extra €15 billion for a reboot plan in the first 100 days. This will be across a suite of liquidity measures that I can outline in detail later. They will provide a stimulus for consumer confidence and in particular will address the constraints on the credit guarantee scheme by increasing the guarantee to 100% and removing the portfolio cap to ensure it is actually effective. We also need an export credit scheme to match what our competitors are doing.

On getting people back to work we need to increase employment support by labour market activation schemes and to increase the funding to national training. We need an additional €25 billion to enhance the national development plan.

On reimagining a better Ireland, these resources need to go the social dimension, but on the international and Brexit issues, the all-island dimension is crucial and needs to be factored in.

I again thank the members of the committee for inviting us to attend today.

Acting Chairman (Deputy Mary Butler): I ask Mr. McDonnell to make his opening statement. It would be appreciated if he could also limit it to five minutes.

Mr. Neil McDonnell: ISME thanks the members of the committee for their kind invitation to address the committee.

ISME first issued guidance to members and the public on the Covid-19 threat on 12 Feb-

ruary. We have maintained a low-key, information-based and data-driven approach to the issue since then. The likely impacts of the pandemic on SMEs were clearly evident to us in early March. We set out three priorities at the start of the Covid-19 pandemic: an immediate working-capital liquidity solution for SMEs beyond mere debt finance; affordable access to an amended examinership regime for SMEs for those firms that would inevitably get into trouble; and an operational plan for rebooting businesses post lockdown. That operational plan needs to include rational and reasonable health, safety, and hygiene measures; clarity on the phases of return and reopening; and assistance for direct costs incurred such as personal protective equipment, PPE, consumables and cleaning.

The average small business owes €78,000 in trade credit to other small businesses. Without a workable liquidity solution, large amounts of this inter-company debt will go bad, with terrible implications for business and personal insolvencies. We have been consistent and clear about these requirements in our communications with the Taoiseach, the Minister for Public Expenditure and Reform, and the Minister for Jobs, Enterprise and Innovation. We have worked with others to amplify the voice of the small enterprise sector. I am delighted to note this committee has accepted submissions from the SME Recovery Plan and the Local Jobs Alliance.

The voice of the SME sector has not been heard throughout this pandemic. Some fault lies with those in the SME sector. Their voices are disparate and fragmented, and their representatives find it difficult to coalesce around agreed policies and themes. ISME is working to address this issue. The greater fault lies with the State apparatus and an industrial policy that is fixated on the foreign multinational corporate sector. We have no issues with foreign multinationals, which are among some of the best customers of our SMEs. Our indigenous industrial policy must be fit for purpose and focused on those areas of greatest systemic importance to the Irish economy, to society and to the Exchequer.

The issue is particularly important in the context of the Government's response to the pandemic. Many of the missteps with the pandemic unemployment payment, the wage subsidy scheme, the trading online voucher scheme and the Return to Work Safely Protocol could all have been avoided if there had been formal liaison between the Government and small businesses. Unfortunately, SMEs continue to be a blind spot for the Government. It is hard to say why this is the case. Our interaction with the upper reaches of the public service and the Executive leaves little doubt as to their perception that big business is good and small business is bad, and that big corporations pay their taxes and small business owners fiddle their expenses. The figures in appendix 1 tell a different story. This is not merely anecdotal. It has been said to me by a senior trade union official and by a senior civil servant that the lower tax credit available to the self-employed and the USC surcharge imposed on higher-income self-employed people are justified by their ability to fiddle expenses. This is baseless and unsustainable. We are setting out a means to rectify these issues while repairing the State finances.

Finally, I say to members of the committee that while many of them may feel overwhelmed by the enormous challenges presented by the pandemic, this is a great time to be a legislator. Great turmoil brings great opportunity to address and repair problems that were ignored when times were good. We wish the committee every success in doing so.

Acting Chairman (Deputy Mary Butler): I thank Mr. McDonnell. I remind members that they will have either ten or five minutes for questions and responses from witnesses. I will be keeping all members to their time to ensure every Deputy has the correct time allocated to him or her. I start with Deputy Munster.

Deputy Imelda Munster: I will start by asking Mr. McDonnell from ISME about the restart grants. What are the restart-up costs? Does he find that the Government's restart grants are adequate or wholly inadequate to meet the restart costs for businesses?

Mr. Neil McDonnell: For us, there are too many strings attached to the funds that are available. There seems to be fear and apprehension that providing money and liquidity to businesses is going to be money down the drain and wasted. I will take the worst-case scenario from the point of view of the Department of Public Expenditure and Reform, where, for example, a grant of €10,000 goes into a small business that goes under in a couple of weeks. What happens that €10,000? Does it disappear? No, it goes to pay statutory redundancy for people who lose their jobs and to pay other businesses that are owed money by that business. From our point of view, the provisions of grant assistance are too little and are hamstrung by terms and conditions. We need simpler access to liquidity.

Deputy Imelda Munster: They are inadequate, in Mr. McDonnell's view.

Mr. Neil McDonnell: Yes, they are inadequate.

Deputy Imelda Munster: How much in grant aid would the average business need to restart, when one takes on board the costs associated with restocking, adequate provision of PPE and cleaning, etc.? Chambers Ireland has said that the average restart cost would be between €26,000 and €32,000. What would Mr. McDonnell estimate to be the average cost in comparison to what the Government is allowing in grants?

Mr. Neil McDonnell: I would not like to venture a figure because, as the Deputy can imagine, the sorts of measures that may be required in a hairdresser are different from those in a restaurant or a hotel. There will be an additional fixed cost to opening that would not be there if we were not in a pandemic. If a business had shuttered for some other reason and was now reopening, it would not have all these other costs imposed on it. It is going to be significant. I prefer not to take the line of the Department of Business, Enterprise and Innovation, which is that there is only so much we can afford to spend. Those revenue figures are in the annexe to our submission. The State, the Exchequer and the legislators are far too dependent on this sector to let these businesses go under for the sake of a few thousand euro.

Deputy Imelda Munster: Some businesses are still falling through the net when it comes to accessing the restart grants.

Mr. Neil McDonnell: Yes. The grants are tied to rates. Many services such as man and van type businesses, which would typically be called blue-collar services, are essential services in plumbing, electrical and carpentry. These services are essential to the building industry and yet they cannot qualify.

Deputy Imelda Munster: They cannot access the grants.

Mr. Neil McDonnell: Yes, they cannot access the funds because they do not have rates.

Deputy Imelda Munster: The Government has put forward various loan options and small grant aid, but if one considers the Department's figures, the take-up is extremely low. The data suggest a real problem around this and that the loans and the grant are not fit for purpose. Would Mr. McDonnell agree?

Mr. Neil McDonnell: Yes. The figures from the Department last week suggest that nearly

€86 million has been taken in supports to date. Compare this with the tax figures coming from the sector, which is €5 billion in PAYE, €1 billion in USC, €4 billion in PRSI, and €5.7 billion in VAT. We can see that what has gone into the sector as assistance is a drop in the ocean when compared with what comes from the sector in tax revenue.

Deputy Imelda Munster: Scale Ireland has commented recently that we are on the back foot now and that the Government is way behind other European Governments when it comes to business supports. What is Mr. McDonnell's take on that?

Mr. Neil McDonnell: Scale Ireland well addresses the needs of the venture capital and start-up community, which we also assist. Scale Ireland has a great message. The Danes and Germans have specific supports dedicated to that start-up community. I am aware that in the round it is not the sort of thing that interests a lot of people but these businesses are essential to maintaining a good economy. Consider also what the Danes and Germans are doing around their domestic businesses. The Danes are allowing businesses to recover up to 80% of lost costs. This would be for businesses such as entertainment events, concerts, football matches and so on. The Germans have announced €50 billion in grant supports for small businesses. Proportionally, this would be €3 billion in Ireland.

Deputy Imelda Munster: If the Government continues to fail to address the issues facing SMEs, it is clear that the consequences could be dire. Will Mr. McDonnell quantify the scale of those consequences for small and medium size businesses?

Mr. Neil McDonnell: It is very difficult. We surveyed people on a sentiment basis, which can be seen at the end of our submission. We surveyed on sentiment around mortality or how long businesses are going to last on a steady-state basis. We have done this type of survey twice now. I do not want to be doom and gloom at this meeting, but I can say that sentiment and optimism was higher in the lead-up to the June bank holiday weekend than it was in mid-April. Clearly, the SMEs are a bit more optimistic than they were six weeks ago. However, if anything close to the 6% who say they will be gone within a month was to happen, we could be looking at up to 9,000 SMEs gone.

Deputy Imelda Munster: Okay, 9,000 could be serious. I have some questions for Mr. McCoy. There is commentary around the €350 pandemic unemployment payment being higher than pay received by many workers in the State. This has brought low pay into focus. Would Mr. McCoy agree that this highlights a massive problem with low pay, low-hour contracts and the gig economy?

Mr. Danny McCoy: I will answer that question, but first, on the Deputy's question to Mr. McDonnell, I suggest that it has been a very artificial closing down. For most businesses to assess what kind of support they need from the State, they first need to reopen. Then they can actually see what the demand is.

On the Deputy's specific question, the €350 payment was an emergency response and, clearly, given the numbers, we can see that many people are on a pay rise. That is an artificial construct to keep people staying at home. It is not a productivity payment. The market has to be able to sustain the wages and salaries of the business, and if businesses cannot afford €350 per week, then there is no point artificially suggesting that this become the new norm, because it would not be a sustainable proposition.

Deputy Imelda Munster: Would Mr. McCoy not recognise that it highlights low pay, low-

hour contracts?

Mr. Danny McCoy: What it is is a social welfare payment. Therefore it is not actually a labour market issue. It is what is considered to be a sufficient wage to keep people in their home.

Deputy Imelda Munster: No, I am talking about the labour market. Some people have referred to it as a bonanza for workers. Does it not put the focus back on low pay, low-hour contracts?

Mr. Danny McCoy: The nature of that payment is that it is actually a social welfare payment for people who are not actually working, and so the issue there becomes-----

Deputy Imelda Munster: Yes, but the fear was that people would not go back to work because of it. That was the commentary that was made, that people were unwilling.

Mr. Danny McCoy: It becomes a disincentive. It certainly becomes a disincentive to go back to work if prior to that a person's weekly-----

Deputy Imelda Munster: Or one could argue the contrary that if pay and low-hour contracts were to be improved, it would do away with that. I have two other quick questions. In his opening statement Mr. McCoy called for the replacement of the 2 m social distancing with a 1 m distance, and that is his opinion. Does he have an opinion on mandatory face masks for people who can wear them?

Mr. Danny McCoy: Certainly the distancing requirements are going to be the difference for certain businesses between opening up or not. Many businesses will be able to survive with 2 m because of the nature of warehouses and even of some office environments due to their scale. It is not a blanket for everybody, but for those that are critical, particularly in hospitality, at the workplace it is going to be an issue. Where it really matters, though, is in the public realm, in trying to get to work through the public transportation system, or other features like crèches-----

Deputy Imelda Munster: But there are many workplaces that prove to be crowded environments if we reduce it down to 1 m. I am asking if Mr. McCoy has an opinion on reducing the distance-----

Mr. Danny McCoy: I certainly have a personal opinion, which is that while we do not have a vaccine and when there is a risk of the virus resuming, if we are in crowded spaces within which we cannot actually function without this type of metres response, and if the act of movement from 2 m to 1 m requires the use of a mask in public spaces, then that is appropriate.

Deputy Imelda Munster: Would Mr. McCoy put that to his members?

Mr. Danny McCoy: Absolutely, and this is the point. We did a workplace protocol with the unions for people to go back to work and employers have shown themselves to be willing. Everyone understands in terms of the loss of income from this virus that imposing costs are accepted by businesses to get back, and if mask-wearing is one of those costs, I am sure it will be entertained.

Acting Chairman (Deputy Mary Butler): I thank Deputy Munster and Mr. McCoy. Deputy Brophy has five minutes.

Deputy Colm Brophy: I want to pick up on that last question because I would like to ask both witnesses whether they would view it as a positive thing overall to move from 2 m to 1

m. I want to put it on record the fact that I support that position. Will they both comment as to what they think are the implications of the safety aspects of doing that for employees in firms, and whether the benefit is outweighed by the survivability of employment? For many industries and businesses there is no survivability without that movement on distancing in the near future. Whichever of the witnesses would like to start first may do so.

Mr. Danny McCoy: I will take that one if that is okay. One aspect is the public health aspect, and while certainly I have no expertise on the health risks that are involved, clearly, as the committee knows, while 2 m is greater than 1 m, it is an exponential difference. We know we can get four 1 sq. m in a 2 sq. m space, so it is exponential. In other words, the difference between 2 m and 1 m is a factor of four, and that can be the issue that would really make a difference for a business if one thinks of it in terms of space, of having customers standing in spaces and so on. It is not just a doubling.

Deputy Colm Brophy: Is Mr. McCoy saying, therefore, that it is essential for business in general that we move from 2 m to 1 m?

Mr. Danny McCoy: Absolutely, and I am on the public record on that.

Deputy Colm Brophy: Will Mr. McDonnell comment, especially in terms of the small businesses?

Mr. Neil McDonnell: What we find particularly unhelpful is where people want to be really black and white and say that it is either 2 m or it is 1 m, when from a health and safety point of view that does not make sense at all. It is perfectly deliverable from a health and safety point of view to apply one set of measures that should be taken at a social distance of 2 m, and another set that should be taken at 1 m. First of all, as Mr. McCoy said, public transport is simply going to fail to function at 2 m social distancing and the streets will be clogged with cars. We must also consider many of the hands-on professions, such as the people we represent in the areas of hair and beauty and physiotherapy. A different set of measures will have to apply in those areas.

Deputy Colm Brophy: I will stop Mr. McDonnell there as I want to ask a second question.

Something which I believe is an absolutely essential part of the recovery and for which I would like to see support and buy-in from the next Government and from industry is a national recovery task force, an umbrella group to literally bring the country together and to allow for interaction between Government, social partners, business, unions and so on to focus on a recovery plan and to drive that plan. What are the witnesses' views on that type of strategy? A whole-of-country approach is needed to take us forward on this. Buy-in is needed. I do not go with much of the sniping, having a go and the constant attacks on Government, regardless of who is in government. Nor do I go with pitting the public sector against the private sector. How willing do the witnesses think their organisations would be to participate? How important do they think it is to have a national recovery task force? Can we start with IBEC?

Mr. Danny McCoy: I certainly agree but it does not need to be limited to just a recovery. We have many other issues and that is why we are very explicit on the social dialogue model. In the run-up to the general election, we raised issues around the Commission on Taxation. That Commission on Taxation needs to bring in the social welfare aspect as well. One of the things that Covid has highlighted is that precariousness, as described, is not just about low pay. Anybody's life can be disrupted by events like Covid or a hard Brexit. We need all actors, including the Legislature, involved in that discussion. If it is specifically around a Covid recovery, we

would certainly engage with that. However, it needs to be wider. We have a whole host of other things to deal with, not least sustainability and the all-island dimension.

Mr. Neil McDonnell: We are very happy to engage in that sort of dialogue. We have suggested for a long time that the exemplar from that point of view is the German *mittelstand* model, which shows the family and small enterprises at the heart of German industry, rather than a peripheral part of it. We are very happy to go that way.

Deputy John McGuinness: Could I ask both witnesses whether they have ever come together with the other national representative bodies, such as the vintners or the bus and coach operators, to have a common platform to present to Government?

Mr. Danny McCoy: As I said at the start, IBEC has 36 trade associations. One of those is Drinks Ireland, which is currently engaged with the vintners on a hospitality forum about coming back in. On the tourism side, we certainly engage with the bus and coach operators as well.

Deputy John McGuinness: What about ISME?

Mr. Neil McDonnell: That was the point I was alluding to. IBEC has been far more successful in corralling a group of verticals - that is, sector specific representatives - into certain positions. We know we have a job of work to do there. Many of these trade associations are jealous of their independence and all that, but we have a job of work to do in getting these people to talk to-----

Deputy John McGuinness: Both organisations, and indeed the other organisations involved, have to put aside that jealousy, as Mr. McDonnell calls it, or sense of ownership of their members and that tendency to act in a silo in order to deal with the very real problems that now exist for all of their members, and even for those who are not members, throughout the country. How often have the witnesses' organisations met with Government Ministers, the Taoiseach or senior officials on all the issues they have put before us today?

Mr. Danny McCoy: Mr. McDonnell can confirm this but we do quite a lot. We are involved in a stakeholder group with the Department of Business, Enterprise and Innovation-----

Deputy John McGuinness: I am talking about in relation to this issue.

Mr. Danny McCoy: Is that in relation to Covid?

Deputy John McGuinness: Yes.

Mr. Danny McCoy: Mr. McDonnell might be more precise, but reference was made to that on at least seven occasions in the stakeholder forum I mentioned, and more widely in respect of Brexit, which is another issue that will take up our time later in the year.

Mr. Neil McDonnell: The Department performing well in this area is the Department of Business, Enterprise and Innovation. That is because the Minister, Deputy Humphreys, has a regular, scheduled forum with businesses and she talks to many sectors. Specifically, referring to the blind spot, that is what I mean when I state the Department of the Taoiseach and the Department of Public Expenditure and Reform do not have a real understanding of the issues and the diversity of issues - or at least that is not visible to us.

Deputy John McGuinness: I can take it that the witnesses' organisations are well organised and have engaged with senior officials, the Government and the Taoiseach. When these

schemes are announced, however, they fall far short of addressing microbusinesses and all the way up to the medium-to-large SMEs. Is there a failure on the side of the Government to understand the case being made or is there a failure on the side of the witnesses' organisations concerning the presentation of their cases on behalf of the members they represent?

Mr. Danny McCoy: For the record, as Mr. McDonnell has said, IBEC has had plenty of engagement with the Department of the Taoiseach and the Department of Public Expenditure and Reform during this crisis and hence the Return to Work Safely Protocol. Issues regarding the temporary wage subsidy scheme were addressed through that means as well. Responding to Deputy Munster earlier, I said some of these schemes will require businesses to reopen so they can determine what it is they actually need. It is too early to tell, in some sense, but what we needed was to have a range of measures from grants to loans and from equity to deferrals. Those have been put in place. Our argument has been about the scale of measures delivered, and that goes back to the heart of what the Deputy was saying to us about getting together. It is incumbent on the Legislature to get together as well during this interregnum of not having a Government, because we are being told many things cannot be done as legislative power has run out.

Deputy John McGuinness: Yes, but I do not accept Mr. McCoy's statement about businesses having to open to understand what they need. Bus and coach operators tell us exactly what they need regarding specific supports for their sector. The Vintners Federation of Ireland will tell us exactly what the vintners need. I also refer to the chambers of commerce. Carlow Chamber of Commerce and many other chambers of commerce throughout the country have been in touch with me. They know what they need, and they tell me that the trading online vouchers scheme could do better and the new restart grant scheme could do a hell of a lot better. They also refer to the poor information that exists on the rates holiday or exemption.

If we look at reopening a business, it will be necessary to restructure the debt remaining after the financial crisis to deal with this current crisis, even if that means going to a different bank or a State bank. It might even mean going to a credit union. I do not see any of that in place. The banks will not lend money. They are being as disruptive and disgraceful as ever regarding how they are treating this pandemic and the restructuring of businesses throughout the country. The insurance business is simply out of control and needs legislation to be passed in this House to control it.

On a day-to-day basis, other issues include the cost of reopening, equipment and PPE. These are the questions I am being asked by big and small businesses throughout the country. I would like to have heard more from the witnesses' organisations regarding the Government and its response. When I refer to "the Government", I mean officials, Ministers and the Taoiseach or whatever. If that response is not good enough, the witnesses can tell us at this committee. How forceful, however, have the witnesses been with the Government to ensure it delivers for small businesses in Ireland?

Mr. Danny McCoy: In responding to the Deputy, I will state that I do not need a lesson on businesses. I deal with businesses every day and it is my job to do so.

Deputy John McGuinness: I do not need one either.

Mr. Danny McCoy: We set out what is required. Returning to the point I made earlier, if it is not known what the business plan is going to be, how can it be known what channels of support will be required? Reopening, therefore, is a critical part of the process and that is why

businesses were asking that the reopening take place quickly and appropriately in respect of restrictions. The Government has set out the range of measures. As I said, it is the scale of those measures with which we have an argument. The whole plethora of measures is in place, from deferrals to grants to loans to equity, potentially. It is a matter of interpreting that and putting it in place. It might be discounted, but this is a different type of downturn. This was a switching off of the economy. The people or organisations coming to the Deputy have no idea what consumer demand will be for the businesses. It would be inappropriate for anyone to lend on the basis of a business that is currently closed and when one has no idea what the situation will be when it opens up.

Deputy John McGuinness: There is no money there and IBEC does not know what the future will hold.

Mr. Danny McCoy: We know what the money is.

Deputy John McGuinness: I cannot take out a loan from the bank or elsewhere because we are not too sure about it either. I respect the work done by IBEC and ISME, but they must be far more active in respect of delivery on one side and in telling Deputies what is not being done on the other side. I would like to hear from Mr. McDonnell on those matters because he was critical of-----

Mr. Neil McDonnell: I am not telling the Deputy where he should be looking, but any notion that we have not been loud and explicit with the Taoiseach and the Minister for Public Expenditure and Reform, Deputy Donohoe, about what is required could only come from someone who is unaware that the information is all available on our website. We have a policy of radical transparency. All of this information is subject to freedom of information requests, so we publish it on our website.

On the schemes that are available, the Microfinance Ireland Covid-19 business loan is a good scheme, but it is subject to an interest rate of 4.5% to 5.5%, which is totally inappropriate at this moment in time. The working capital scheme for innovative and internationally traded businesses is not appropriate for SMEs. The future growth loan scheme is directed at mid-cap companies, as is the sustaining enterprise fund. The sustaining enterprise fund for SMEs is a fund of only €50 million, with 4% interest rates, and it too is directed at internationally trading SMEs. It is not attracting attention. Restart grants of from €2,000 to €10,000 are available and are based on rates paid last year, but many businesses do not qualify for them. The trading online scheme is conditional. That funding ran out last week and the Minister is seeking new funding for it.

Deputy John McGuinness: I will cut across Mr. McDonnell because I only have 52 seconds left. I am delighted to hear him say all of that because I presume he will contest those schemes with the Government-----

Mr. Neil McDonnell: Absolutely.

Deputy John McGuinness: -----as will I. My point is that one must get to the crux of the problem. For example, how will retailers carrying €1 million of seasonal stock get rid of it and prepare themselves for the next season or for Christmas? Not enough is being done. Mr. McDonnell stated that SMEs, particularly micro-businesses, do not fit easily into the schemes on offer and that, when it is analysed, there is little or nothing there for them. That is the point I am making.

I point out to Mr. McCoy that I have six businesses and am trying to get them all reopened. I must plan now for when they reopen; I cannot wait until they open to do so. There is a significant amount to be learned by the Government when it comes to small businesses. I would like IBEC, ISME and other organisations to do a hell of a lot more for all small businesses.

Deputy Steven Matthews: Five minutes is not much time to ask the witnesses questions and get their responses. The Reboot & Reimagine plan and the SME Recovery Plan both estimate that a bailout of €15 billion will be required. How confident are Mr. McCoy and Mr. McDonnell of the accuracy of that figure? Is it their own estimate or have they engaged with the Department of Finance and the Revenue Commissioners to come up with it?

Mr. McDonnell suggested that there is no reason to treat aviation fuels differently from other transportation fuels in terms of carbon taxes. I ask him to expand on that. Would he support a carbon or other environmental tax in that regard? He suggested that we should further rationalise our local authority network. Will he expand on what he means by that? He proposed that any charity funding not linked to essential service provision should be cut. Will he identify the charities to which he is referring in that regard? He suggested that Covid supports need to continue until there is approximately 80% employment. Judging by how we are going at the moment, when will 80% employment be achieved? How did he come to that figure? Mr. McDonnell outlined the missteps relating to the pandemic unemployment payment and the temporary work scheme, so I will not put a question to him on that matter.

Mr. McCoy referred to a more extensive social dialogue model, better engagement with unions and employers, social progress indicators and quality of life, which are far more than purely economic indicators of how we are doing. I totally agree with him on that and I think it is definitely something we have to pursue. He refers to better childcare, a circular economy and deep retrofitting. I agree with him on all of those measures as well. Is the €25 billion in extra investment for the national development plan to which he referred to go towards those projects that would create long-term sustainable jobs and projects that are decarbonising in their nature?

It has been stated that 20% of those made unemployed by the crisis are under 25 years of age. It is an imperative that we get young people back working. While I understand that Mr. McCoy's view would be to get them back working, what are his suggestions in that regard? In a radio interview yesterday, he stated that there may be a potential shortage of workers in certain sectors. To what sectors was he referring and what are the implications of that? There are quite a few questions there so I will see if Mr. McCoy can get through them. I may have one or two more.

Mr. Neil McDonnell: As to what is the right number, I have explicitly stated all along that there is no right number. Our number has been quite conservative by comparison with some of the numbers that others have come out with. If we took €78,000 for all SMEs, that would amount to approximately €11 billion. However, the key here is that the longer we wait to reinforce the SME sector, the more it is going to cost.

On the comment about aviation fuel, it strikes me as absurd that when I get on the bus to go to work, my pass includes a contribution to carbon tax, but when I go on holidays, my plane ticket does not include a contribution to carbon tax. That is a significant area of expenditure that could raise an awful lot of money relatively painlessly, so it should at least be in scope.

On charities, it is not just charities, it is also the NGO sector. What we see is the State outsourcing responsibility for many things that could be regarded as core activities to the NGO

sector. The IPA report to which we linked refers to 247 of them. What we are suggesting is that we could consolidate those so we are not paying boards hither, thither and yon to do the same thing.

The local authorities were a big issue two elections ago. The point we are trying to make is that we have a population of 4.9 million, which is equivalent to the population of greater Manchester. Is there no way we could consolidate that a little bit more? We are not saying that we eliminate all of them.

On employment, again, what we are trying to say is that while it is the choice of the Oireachtas how long it continues these schemes, we are going to have a wave of unemployment hit us if we do not have those supports continue for some time.

Deputy Steven Matthews: We are out of time but I would welcome the chance to put further questions to Mr. McCoy and get a written response.

Deputy Ged Nash: I welcome the witnesses. My first questions are for Mr. McDonnell. I want to start my contribution with some observations. I agree with him that for decades the State has had an absolute fixation with multinational corporations and foreign direct investment to the detriment of the indigenous and SME sectors. While it may be a conversation for another day, I agree - I have been banging this drum for some time - that we need to reorient our national industrial policy focus, anticipating some very significant changes that will be coming down the line in regard to the global competitive environment that we expect to see when changes are made to corporation tax regimes, both in Europe, which is inevitable, and elsewhere. It is something with which we need to grapple.

We are not good at separating out the small-scale from the medium or the micro from the medium. There is a whole spectrum. We need to segment that and focus our supports and policy in that direction. We need to get our SME house in order. We are very poor at scaling up high-potential start-ups in this country and making them more export orientated, notwithstanding the very good work Enterprise Ireland and others do.

On the uptake of the liquidity schemes announced by Government, the levels speak for themselves. They have been absolutely abysmal to date. I accept what Mr. Danny McCoy said about companies having to take decisions when they open and when they have a clearer perspective on what the environment is going to be like. Using the example of Microfinance Ireland, a 4.5% interest rate over a relatively short period compared with a comparable scheme in the UK is not where we should be at. I am a big supporter of what Microfinance Ireland does and its principles but there needs to be a significant change there. Can the witnesses tell me what is the one single transformational thing that can be done to get liquidity to businesses when they need it, where they need them and soon?

Mr. Neil McDonnell: With the best will in the world, the State has directed a lot of money through the Strategic Banking Corporation of Ireland, SBCI. The SBCI is authorising the flow of credit but when that has hit the pillar banks, it has run into an issue. The SBCI wants to expand its routes to market but that is for members to consider. The credit unions and post office network are dying to get into this game. There are many ways we can assist but the problem is that this issue is running into trouble in the banks and I do not represent banks. The committee has had representations from the Banking & Payments Federation Ireland, BPF, and it has reservations about the manner in which portfolio risk and all that has been managed. At every hands turn blockages are put in front of the flow of finance to small businesses.

Deputy Ged Nash: That would be the experience of many of my constituents, in terms of dealing with the SBCI products through the pillar banks. There is a reluctance to engage with these very onerous schemes and difficulty accessing them in the first place. I thank Mr. McDonnell for his response in that regard. One thing that could be done, which Mr. McCoy may have recommended, is to provide a 100% credit guarantee scheme because there are obstacles and barriers in the way of people in terms of having the confidence to engage with those particular schemes.

I have a couple of questions for Mr. McCoy. He referenced in a very welcome way the need for an expanded social dialogue to reimagine and reboot Ireland but reimagine the social contract. That is very welcome. One of the ways in which we could do that, in terms of meeting the challenge of remote work, is to adopt and develop a national strategy for remote working. Would he be in favour of such a strategy?

Mr. McCoy mentioned in his written contribution, and in the document he published a few weeks ago, inadequacies in the social welfare system. How would he address the matter? Does he agree we must adopt European norms in terms of employer PRSI contributions?

Mr. Danny McCoy: In terms of social dialogue, from the business community, and internationally, there is a whole new emphasis on moving away from shareholder value to stakeholder value. We have an opportunity in Ireland, where we are more advanced than most other societies on this wave of globalisation, to embrace that. Social dialogue is not social partnership. Social partnership was a centralised wage bargain in industrial disputes. Social dialogue, as the Deputy rightly said, will be about the social services to provide it because the precariousness I talked about earlier is now experienced by people on all income levels. They can see that there are crises and we need an income protection model. The temporary wage subsidy scheme was made up on the hoof. It should have been in place for a crisis like a hard Brexit but we have it now and it is important that we have that conversation. A commission on taxation and social welfare would be one of the first building blocks to make that real.

Acting Chairman (Deputy Mary Butler): I thank the witnesses and Deputy Nash. I call Deputy Murphy and she has five minutes.

Deputy Catherine Murphy: One of the issues which was raised strongly with me and some of my colleagues was the issue of clarity about reopening. The Health and Safety Authority has published the Return to Work Safely Protocol but it is not at all clear in some sectors what segment of people come back in. I would like a response on this. It is probably more to do with the smaller business sector than the larger business sector.

Mr. Neil McDonnell: From our point of view it was a very worthy and long plan but it also seemed very laboured. I can tell the Deputy in terms of small premises, for example, it is written in the plan that there will be isolation rooms. The simple reality in the case of a one-room corner store is if a colleague or staff member feels sick, he or she will have to go home. It is that simple. We share advice with businesses on how they will comply with the plan, but clearly it was not derived with very small businesses in mind.

Deputy Catherine Murphy: Can something be done on greater clarity now? Is it too late?

Mr. Neil McDonnell: No, I do not think so. If we commit to recognising this stuff is iterative and we can come back and clarify it, we are very happy to work with it.

Deputy Catherine Murphy: Most of us are hearing that the small to medium sector in

particular does not want to take on more debt. The rate of interest is not coming up as much as the accumulation of debt, which is coming across very strongly as a real risk that people do not feel they can take on. I assume this is what the witnesses are also hearing.

I share some of the views expressed on our industrial policy being required to change. It would be prudent for us to do so quite quickly. The whole idea of a social dialogue absolutely has to happen. Do the witnesses believe that the scale of what needs to be done, with regard to building public services, the very obvious deficits, trying to maintain as much employment as possible, and the obvious need for a major stimulus programme that is job rich and will give us a return in the longer term in human capital such as housing stock, is compatible with a deficit reduction approach in terms of the overall economy? What timeline are we looking at in terms of coming out on the other side, assuming an 18-month timeline for a vaccine?

Mr. Danny McCoy: I will answer this question. On the Deputy's initial point, the protocol on safe return to work is a national protocol but it can be enhanced at a sector level and we need to move to this now, to echo the point made by Mr. McDonnell that we need to take account of the specific environs in which people are operating.

On the Deputy's latter point on the deficit reduction being compatible, we need to take some confidence from the fact that this year we had a really successful economy until the interruption in terms of it being generative of resources. We even saw this in the Exchequer returns in the past week. What we will see is that some of the proposals are above the line, where the State will not get its money back and does not need to get it back, such as from the households getting the pandemic unemployment payment or the temporary wage subsidy scheme, but other moneys will be paid back because they are just deferrals or loans and they will be repaid even if there are some non-performing loans.

While the scale looks rather big in terms of percentage deficits, the reality is there will be much less deficit as a result of Covid than the headlines suggest. We have proved the business model we had is incredibly generative of jobs and cash, and the quicker we get back to being able to socially distance appropriately and take account of the virus and live with it, we will generate the resources so as not to have that deficit problem and get jobs filled again. The problem here is that if we suppress everything, including consumer confidence, it will be a lot longer before we are able to tackle the deficit and those other crises.

Acting Chairman (Deputy Mary Butler): We now move to Deputy Bríd Smith, who has five minutes.

Deputy Bríd Smith: I had prepared for ten minutes but I will try to cut down what I was going to say. I note that IBEC has three main planks to its submission: the removal of the quarantine restrictions, replacing the 2 m social distancing limit with a 1 m limit and an extensive and systemic Covid-19 tracking and tracing programme. I can only agree with IBEC on the last point but I want to compare its approach with a letter in *The Irish Times* today from over 1,000 scientists who say we can begin to suppress the virus, with the ambitious aim of suppressing it in total, "by continuing public health measures, including the use of masks, active fast contact tracing and testing, and sensible restrictions on travel". There is a comparison between IBEC and ISME's submissions and what the scientists are saying to us because it seems to me that both IBEC and ISME think we have to hurry up and get back to normal as soon as possible. The choice in their narrative is that either we have a deep recession and an economic shutdown or we do not crush the virus. We need to be very careful in the message we are sending out here. Do the witnesses have any further contribution to make on public health?

I do not see the obligations or duties of the members of IBEC and ISME to their employees mentioned in either of their submissions. Throughout this pandemic, everybody in this Chamber has been inundated with phone calls and emails from workers, including those who were forced to stay in work or had to stay in work, about breaches of their rights by their employers. Some workers had their rights and conditions of employment breached. Others were forced to take holidays or suffered unilateral pay cuts and changes in work practices. Many thousands of workers were let go in the middle of the pandemic and in many cases they had no access to trade union recognition. We have seen hundreds of employees of companies that are members of IBEC and ISME pushed into dangerous and unfair practices, but this is not mentioned in their submissions. I also mention the poor regulatory performance of the Health and Safety Authority, HSA, which was nowhere to be seen when these complaints were lodged.

I also note that both IBEC and ISME bitterly complain about the pandemic unemployment payment and about cases of low-paid workers doing better out of it than in their original employment. However, they failed to address the question of the wage subsidy scheme. Firms that posted profits of over €1 billion in recent years have been accessing State money and using the wage subsidy scheme to make sure their profits remain intact. Ironically, I note that the PUP will be spent in the local shops and small businesses that ISME claims to represent sooner than the employers will spend their largesse.

I agree with the witnesses on the need to reimagine Ireland after this pandemic. We need to reimagine it as an Ireland with decent public services and a one-tier health system that is properly resourced. We do not need reimagine it as an Ireland that is a floating tax haven but as an Ireland with proper regulations for businesses. How do IBEC and ISME feel we can recover from this pandemic by rushing back to economic activity while risking public health? Will IBEC and ISME comment on their obsession with public sector pay and pensions? These are the old straw men they have gone after for years, including in the last two recessions. Is it not the case that the problem is that private sector pay and pensions are so poor because private sector employers demand that these private pensions are gambled with on the stock exchange? Is it not the case that the private sector risks the pensions of its employees by playing foolish games with them? I ask the witnesses to comment on the point that we need to improve the lot of workers in the private sector rather than driving down the conditions, pay and pensions of workers in the public sector.

Mr. Danny McCoy: On the first question on the balance between public health and the economy, clearly Covid-19 is the issue of our day but we know from many experiences in this country that the public health dimension of the economic crisis will probably dwarf what is happening with Covid-19 if we remain closed. We see that in what has already not been tested in terms of the full utilisation of the health system, be that two-tiered or single-tiered. That is part of the reimagining that needs to take place with regard to our social dialogue conversation.

On the issue the Deputy mentioned with employers and their responsibilities, the vast majority of employers, like the vast majority of employees, have been involved in the national effort and unity that has pertained in this and they have remained together. There are exceptions on every front and those exceptions come forward more for highlighting but there has been a national effort by all. The Deputy says there is a difference between the temporary wage subsidy scheme and the pandemic unemployment payment but it is the same issue. It would have been preferable to keep people attached to their businesses and in so doing to have had the wage subsidy scheme dwarf the PUP during this phase but that was not to be because it was not in place in time.

Mr. Neil McDonnell: Any worker who alleges he or she has been pushed into danger by his or her employer should make a complaint to the workplace complaints unit of the HSA.

Deputy Bríd Smith: Workers have been doing so.

Deputy Matt Shanahan: I note the EU average liquidity support is 15% of GDP. I understand the Irish Government is signalling €12 billion in liquidity support, but if we deduct the PUP from that, it leaves approximately €7.5 billion, so approximately 2.9%, I think, of GNI. Would the witnesses like to comment on that?

I wish to raise a couple of issues regarding examinership lite. I understand this is under review by the Company Law Review Group. What progress is being made in this area, and what level of support is business getting from Government, the Law Society and the various Departments involved? I ask the witnesses to comment on that.

In that vein, I refer to business costs. I am a business owner. I have run both large and small businesses. Insurance is a significant issue, particularly for the SME community. We are going through the process of looking at insurance reform through the Alliance for Insurance Reform. I think one of the calls is for a Cabinet subcommittee on insurance reform, led by the Taoiseach. I would support that. I ask the witnesses to comment.

Mr. Danny McCoy: I will take the first part of the Deputy's contribution. He mentioned comparison with other countries. In fairness to Ireland, our reaction has been to get liquidity quickly to people. That is being done through the pandemic payment and the temporary wage subsidy scheme. That is done directly, through the employer and into the household, and that was important to keep the stay at home message. As for the scale at which it will be comparable with other countries, very often in those countries loans are the main part. Again, this goes to the heart of the reaction not to take on extra debt or knowing exactly how much debt one can take on, given what way one's business will be. In other societies, the jurisdiction beside us, the UK, being a classic example, the capacity to get the liquidity to the employers to give to their employees was incredibly slow. Here it was remarkably quick. I think that is a reflection of the fact firms had to borrow from the state schemes just to keep them liquid and to keep their employees paid in other jurisdictions. I think that is what the Deputy is seeing in those comparisons. The question that really matters is this: when we open up, will the scale of the liquidity measures match the required need? That is the heart of my point earlier. We need to see the opening up to see what damage has been caused in the past quarter.

Deputy Matt Shanahan: Do the witnesses have any comments to make on examinership lite and insurance? Perhaps Mr. McDonnell will respond?

Mr. Neil McDonnell: I will take those on. This is an ISME proposal. It is funny to look at these recessions. My predecessor, Mark Fielding, was out eight years ago looking for this in the previous recession. It went nowhere and here we are again with a massive business challenge. As for the cost of examinership here, we have a great, internationally admired regime, but it is so expensive that only about 2,000 or 3,000 businesses out of 270,000-odd can afford it. We, therefore, need to make that much simpler and cheaper to access. The amendments the Company Law Review Group is looking at now seek to explore how examinership is done during a pandemic. We are trying to straighten some of those out now, but I am glad to say there is a medium-term, two- to three-month process in getting examinership lite. Perhaps if the Deputy asks me again in October or November----

Deputy Matt Shanahan: Insurance.

Mr. Neil McDonnell: Insurance is an issue that simply has not gone away. When normal business returns, it will be back at the top of the agenda for small businesses. We need work from this House on the book of quantum, duty of care, defamation and perjury.

Deputy Matt Shanahan: I spoke yesterday to a very large builder who told me that mortgage applications are now being reviewed by banks based on employers accessing the wage subsidy scheme. The witnesses might comment on that.

I think the SME platform for wage bargaining comes in under the Labour Employer Economic Forum, LEEF. Although the witnesses do not participate in that, would they like to comment on it?

Mr. Neil McDonnell: I would be very surprised if anyone accessing the wage subsidy scheme were to have a black mark against them as a result. I am pleased to say that the Office of the Director of Corporate Enforcement, ODCE, issued guidance during the week more or less clarifying that. No one should be afraid of accessing the temporary wage subsidy.

Deputy Matt Shanahan: I asked about the small and medium-sized business platform for wage bargaining under the labour employer economic forum. Has ISME an opportunity to enter wage bargaining negotiations under that? How is it arrived at?

Mr. Neil McDonnell: No.

Deputy Matt Shanahan: Is that something ISME would like to see?

Mr. Neil McDonnell: Yes, if there is going to be a return to it. To be fair, I do not think Mr. McCoy was suggesting that there is going to be a return to collective state-wide bargaining either, but we need to be able to feed in to that on a national level.

Acting Chairman (Deputy Mary Butler): We now move on to Deputy Collins, who has five minutes.

Deputy Michael Collins: My thanks to both gentlemen for being before us today. Small and medium-sized businesses throughout the country are haemorrhaging, especially those in rural parts but perhaps everywhere at this time. We have to try to reopen our communities in a safe manner.

I sat in at a Zoom meeting yesterday with SMEs. They were mainly hairdressers and barbers. It gave me a clear indication of the struggles they have, like so many other small and medium-sized businesses in the country at the moment. For many, trying to find information on how a simple bed and breakfast establishment in west Cork can reopen or how to open a café or restaurant is difficult. The inability to find this information is putting extraordinary pressure on these businesses. That is a simple fact. Do the representatives of ISME and IBEC believe my request to the Minister for Business, Enterprise and Innovation, Deputy Humphreys, to set up a task force for small businesses is the right move?

Acting Chairman (Deputy Mary Butler): Mr. McCoy, do you want to answer that?

Mr. Danny McCoy: As I said earlier, I believe there are several fora in which to do it. Perhaps a small business forum would be helpful in that regard, but it need not be exclusive.

The point Deputy Collins is making goes to the heart of one of our asks. We need clarity on the 2 m-1 m rule. Even if it is not to be applied now, we need to know that it is coming. In fact, it will be coming and we know it will be coming. Let us be grown up about it to allow people to plan on that basis. Whether it comes in immediately or in the future, leaving small businesses with uncertainty is adding to the stress of what is already a stressful situation.

Deputy Michael Collins: Do the organisations believe that basing grant aid in these times on business rates is wrong? My meaning for this question is that many struggling businesses do not necessarily pay rates but are still struggling at this time. They are finding it difficult to access grants to kick-start their business.

Mr. Danny McCoy: As we said earlier, the rates base was a mechanism by which to identify a way of getting grants to people. However, many businesses are not actually rateable. They too will need to have supports. We need to find more innovative ways of dealing with what might be called more mobile employment situations.

Deputy Michael Collins: Those supports are not in place at present for mobile businesses, are they?

Mr. Danny McCoy: They are not currently, but it is one of the things we need to ensure are in place when we get opening up.

Deputy Michael Collins: Are the banks making it more difficult? At the moment, from what I can gather, businesses are looking for loans but the banks are seeking a 12-month cash flow forecast.

Mr. Danny McCoy: Again, that is to the heart of it. Some of the features we talked about earlier included risk and insurance. Everyone needs to assess the risk base, including the State. The resources will have to go to viable businesses for viability. We need to see a business plan or have a realistic business plan to see what demand is like. To see what demand is like, we need to reopen. It all critically involves reopening and the issues we talked about in our submission.

Mr. Neil McDonnell: The banks are still being asked to bear an element of risk on this. In the current circumstances that is really difficult. I appreciate there is a fear at Government level of throwing good money after bad. Yet, let us consider the Danish system. It involves giving grant aid to a business based on the remarks from the business's auditor. The reason we have gone with the SME recovery plan and a grant system based on revenue is so that there is State control and that people are not abusing funding. We believe there are good models for the Oireachtas to look at.

Deputy Michael Collins: We have been calling for a zero VAT rate in the tourism and hospitality sectors. Do ISME and IBEC believe that would kick-start small businesses in these sectors?

Mr. Danny McCoy: There are two things about the call for zero VAT. First, VAT is a competence of the EU. If it is not rateable today, it will require the EU rather than here to make that decision. Also, I maintain that what we are observing at the moment is unlikely to be demand suppression. We know Irish households had €110 billion in deposits in the banking system. We have seen during the last phase that Irish households have experienced a €3 billion increase during the pandemic. It is unlikely that demand stimulation will be required. People will require the confidence to go back out there in terms of the health dimension. While a zero rate of

VAT is attractive, a lower rate might be better because at least the State will get some money in return from increased activity. A zero rate of VAT in and of itself, on that particular line item, will raise no revenue.

Deputy Michael McNamara: One of the most worrying economic or financial aspects of the restrictions was the extent to which all economic activity was driven into the hands of multinationals, many of which are headquartered outside of Ireland and pay their taxes elsewhere. Farmers' markets, for example, were inexplicably shut down and people had to go to supermarkets, all of which are indoor, in order to buy food even though all the scientific evidence shows that the risk of congregations indoors is far greater than outdoors. Likewise, with drink suppliers, we hear anecdotally that there was a big increase in the sale of alcohol but it was primarily the big companies which were in a position to benefit from that rather than small micro breweries. How long do the witnesses think it will take for the customer practices that have developed, with people not going to local shops because they were closed and going to the big multinationals like Tesco, Lidl and Aldi, which benefitted hugely from this but which pay their corporation taxes outside of Ireland, to reverse and change?

Mr. Danny McCoy: I do not know. That is the answer to that question. Again, this goes to the heart of what we have been calling for because the reopening will reveal the scale or the type of problem we are dealing with now. For instance, in the case of alcohol consumption, the manufacturing and production data tells us that alcohol sales and consumption in Ireland were down during the pandemic. There are different channels through which people are consuming products now. We need an assessment of whether these are new channels that will persist or whether behavioural change will come but without reopening, we are in a completely artificial period. I do not know. That is the answer.

Deputy Michael McNamara: Were the witnesses concerned at any time by the lack of clarity? Garden centres, at least from my reading of the initial restrictions introduced on 7 April, were allowed to open. There was a big debate as to whether they were but it seemed to me that the Government waited until it got an imprimatur from Woodies and then announced that people could go to garden centres but most of the small, family-owned garden centres in Clare, where I live, were open. Were the witnesses concerned with the lack of precision in some of the restrictions?

Mr. Danny McCoy: We would all like certainty and precision but the reality is that our business models are complex. We do not know who is interconnected to whom. Let us take a fabric company, for instance, and the question of whether such a company is essential. Its neighbours might say it is not but if that company is part of a global hub and a supplier to Boeing and Airbus, for instance, then it is part of a global hub supplying an essential service and should be open. It is very difficult for the State to intervene and say something should close if it takes away one of the building blocks of a necessity. It has been very difficult but in the main, the State has got it right. The main difficulty lies in the public realm in terms of the instructions about how we use public space, including public transport, crèches, schools and so on. That is where society wants more direction from Government and the Legislature, rather than in the workplace.

Deputy Michael McNamara: Does the ISME representative have anything to add, particularly on the possibly unintentional driving of economic activity towards the large multinationals?

Mr. Neil McDonnell: We do not believe it is sensible to apply blanket prohibitions. It is

more sensible to say to businesses that if they follow precautions A, B and C, then this is what they may or may not do. We have the Safety, Health and Welfare at Work Act and employers remain responsible anyway. The fact that we are in the middle of a pandemic is merely an additional level of risk. Rather than issue these blanket fatwas, we should tell businesses that if they take some precautions they can do X and if they take increased precautions they can do Y and let them look after themselves.

Deputy David Cullinane: I welcome the witnesses and wish them well in the time ahead, as I am sure everyone else has. It has been a tough time for everybody, including big and small businesses, and I wish everyone well.

I will start with Mr. McDonnell. His opening statement got some understandable media attention and focus because of some references he made, on which I want further clarification. One of the main points he seemed to make is that many of the policy responses that were put in place to support businesses were aimed at multinationals and bigger businesses and that there was no formal liaison, or there was a lack of engagement, with ISME on these issues. Other people may have asked these questions as well. While he says there was no formal liaison, what contact was there between the Department, the Government and his organisation on these policy responses?

Mr. Neil McDonnell: I said earlier that the one Department that has been very proactive about this is the Department of Business, Enterprise and Innovation. We have a weekly liaison with it and there is a business forum and a retail forum which have functioned very well through conference calling throughout the pandemic. When it comes to other issues like the Return to Work Safely Protocol and the finance measures, what we are saying is that if the Government had spoken to us earlier we would have told it that these measures would not fly. The proof of the pudding is in the eating. The Covid-19 business supports tracker from the Department of Business, Enterprise and Innovation shows that €86 million has been spent. While that sounds like a lot of money, in comparison with what the State is extracting from the SME sector, it is a drop.

Deputy David Cullinane: To follow on from that, Mr. McDonnell also said: “Our interaction with the upper reaches of our public service and Executive leaves little doubt as to their perception that big business is good and small business is bad.” What Departments or who specifically was Mr. McDonnell talking about?

Mr. Neil McDonnell: I regret to say it has been one-way traffic.

Deputy David Cullinane: When Mr. McDonnell talks about the upper echelons of the public service, to whom specifically is he referring?

Mr. Neil McDonnell: I was referring to the Department of the Taoiseach and the Department of Public Expenditure and Reform. Unfortunately, there has not been two-way communication with those Departments. What we are saying to these Departments, and this is by way of observation rather than critique, is that it is very difficult for them to get it right unless they are listening to us. I am glad to say that last week the Department of the Taoiseach brought us in for some conversations about the way ahead, but the issue for us is that there is no standing, regular forum where we get to raise these issues.

Deputy David Cullinane: I am not arguing whether Mr. McDonnell’s analysis is right or wrong, but it is important that Departments of the Taoiseach and Public Expenditure and

Reform were at the heart of his remark that there is a perception that big business is good and small business is bad in the upper reaches of our public service. It was more than a perception. Mr. McDonnell went on to say that “big corporations pay their taxes and small business owners fiddle their expenses”. What did he mean by this line? Is he saying that that is his perception of those Departments’ views on small businesses?

Mr. Neil McDonnell: Those remarks have been made to me by senior trade unionists and senior individuals in the Department of Finance.

Deputy David Cullinane: Senior trade union officials and officials in Department of Finance have said to Mr. McDonnell that their perception is that small business owners fiddle their expenses.

Mr. Neil McDonnell: Yes.

Deputy David Cullinane: Senior officials?

Mr. Neil McDonnell: Yes.

Deputy David Cullinane: Are they at the highest level?

Mr. Neil McDonnell: Not the highest level, but down a bit.

Deputy David Cullinane: It would be extraordinary for senior officials in the Department of Finance to make that statement, whether in public or private.

Mr. Neil McDonnell: In our pre-budget submissions over the years, we have asked the Department to justify how it can maintain a difference between the earned income credit and the PAYE credit and no justification came out.

Deputy David Cullinane: The vast majority of small business owners, who ISME represents, are decent people.

Mr. Neil McDonnell: Absolutely.

Deputy David Cullinane: They create jobs and employ people. Senior officials in the Department of Finance are making claims, as Mr. McDonnell said, that small business owners fiddle their expenses. I have a big difficulty with that and that needs to be explored a bit more.

Mr. Neil McDonnell: Obviously we are not going to talk about anyone.

Acting Chairman (Deputy Mary Butler): A word of caution. We cannot name or make anyone identifiable.

Deputy David Cullinane: Nobody named anybody. We are entitled to name the roles involved, such as senior officials. I have not asked for a name.

Acting Chairman (Deputy Mary Butler): You have not, but I am just giving a warning.

Deputy David Cullinane: I accept that. A very serious charge was made and I take it very seriously because we should support all business, especially small and medium-sized businesses. I am disheartened to find such remarks have been made. If that was said to an organisation that is fundamentally wrong.

Deputy Jennifer Carroll MacNeill: I thank Mr. McCoy and Mr. McDonnell for coming

before the committee today. To pick up on what Deputy Cullinane said about Mr. McDonnell's comment, I too find it to be an extraordinary comment. I want to put on the record in the first instance that I have huge respect for small businesses. I come from a small business family. It is incredibly difficult and people work incredibly hard. The risk and endeavour that small businesses and entrepreneurs have to go through, not just now but all of the time, in setting up, getting cash and paying employees month after month is extremely difficult and I have huge respect for the sector.

I have a number of questions about the submission from ISME. I have to draw attention to the comments made to Mr. McDonnell by a senior trade union official and a senior civil servant that small business is bad and big business is good and that small business owners fiddle their expenses. I find that to be an extraordinary statement to make to the committee. Does Mr. McDonnell want to provide any background to that statement? It is an exceptional statement to make.

Mr. Neil McDonnell: This has been a matter of lobbying by ISME for years. The Deputy can read it in our prebudget submissions, all of which are on our website. We have asked officials to justify why the difference exists.

Deputy Jennifer Carroll MacNeill: I do not disagree on the substantive policy issue at all. I have spoken to a range of business owners and self-employed people about the policy issue in great depth and I have no disagreement with Mr. McDonnell on that. I would strongly support him. The nature of the comment was so unusual that I had to draw attention to it.

Mr. McDonnell said industrial policy is fixated on the FMC sector. I have worked with small businesses and yesterday I visited the businesses in my constituency which have reopened to tell them it was great to see them back and to ask them if they needed any more information. I went through the list of the supports which are available. To me, it seems that all these supports are dedicated to small and medium-sized Irish companies. Is the statement Mr. McDonnell made fair? I see support for local and Irish businesses.

Mr. Neil McDonnell: I appreciate where the Deputy is coming from, but I suggest she gets into the detail of what is required to apply for many of those funds. On *gov.ie* the Covid-19 supports refer to expert-oriented businesses, which are pitched at midcaps. Many members of the accountancy profession assist SMEs in applying for supports and they are tired and frustrated with trying to assist small businesses, many of which are now unfortunately saying they cannot continue and will close up shop.

Deputy Jennifer Carroll MacNeill: Okay. By way of example, when I visited small retail shops yesterday I met a lady who told me she was not eligible for the restart grant because her turnover had not decreased by more than 25% thanks to online sales. In terms of online sales, I understand three years' worth of applications were received in three months, and that is why there has been more funding. We have come to the end of that funding and more funding is available, rather than there being another interpretation of that. That has been a big support and enabler.

Mr. Neil McDonnell: That is a tiny support.

Deputy Jennifer Carroll MacNeill: It is a tiny support, and I appreciate that there is a range of different types of support. For example, in September a range of businesses will have significant loans which need to be repaid when they are no longer able to push back their loans.

There needs to be liquidity around that and an ability to refinance their loans with Government support to be able to do that. I understand the Government is preparing legislation specifically for that. Has ISME been involved in any of those conversations?

Mr. Neil McDonnell: No, we have not.

Deputy Jennifer Carroll MacNeill: Has IBEC been involved in any of the conversations in regard to the preparation of the €2 billion credit guarantee scheme?

Mr. Danny McCoy: No, not explicitly. For the record, as I said at the start of this session, more than 60% of IBEC's membership base comprises small businesses and we have engaged with the Departments of the Taoiseach and Public Expenditure and Reform, along with the trade union movement.

Deputy Jennifer Carroll MacNeill: It requires the Government to be able to enact that legislation. That is important and I completely understand that.

I do not have any further questions. I am concerned for a group of young people in their 20s and 30s employed in private enterprise at the entry level. These citizens really need a voice and need to be represented in this conversation. They may have been the last in and will be the first out as a result. There needs to be a very strong articulation for them. We must not just articulate on behalf of business owners, we must also do so on behalf of the employees of private enterprise. I will try to assist with that. I thank the witnesses for their time.

Deputy Stephen Donnelly: I thank the witnesses for attending. I have been listening intently, both in my office and here.

I wish to ask a question on which I imagine the witnesses and certainly some of their members are spending time, which is the strategy for ensuring that we can reopen our economy and our businesses, big and small, and ensure that they continue to operate a high level of capacity. Both Mr. McCoy and Mr. McDonnell are probably familiar with an open letter to Government written by 1,000 of Ireland's scientists yesterday in which they essentially made the point that in their view the speed at which we are reopening, coupled with what they believe are insufficient containment measures, means that there is a very real risk of a large second wave. One of the implications of that second wave would be businesses having to shut down all over again.

I have two questions. What would be the impact if we have this second wave and the 1,000 scientists are right, meaning that businesses would need to close again in October and November? The letter also makes the point that businesses are planning on reopening at a reduced capacity. I have tried to get an answer to the following question but have failed thus far. For how long will that reduced capacity remain the norm? I asked the witnesses at this morning's session to outline the plan. Is the plan for the entire country to operate at a reduced capacity for the next two years or four years until we have a vaccine? Is the plan that businesses, healthcare facilities and schools could fully open after Christmas? Have IBEC and ISME members received any communication stating that while we cannot predict the future perfectly, the measures we are putting in place are with a goal of being able to fully reopen by, for example, the end of the year? Has there been any communication covering if and when businesses can reopen?

Mr. Danny McCoy: The answer to the last question is "No". I think the Deputy answered it in the run-up by referring to the uncertainty of dealing with the virus. We have stood aside and taken the advice from the public health people. Now we see that the curve has been suppressed, we know - we are realists - that there is no certainty that the virus has gone away and that there

is potential that it could flare up again.

What has been certain has been the economic cost. During the suppression period, there were 12 or 13 weeks of no cashflow for businesses. This goes back to my central point, namely, that we need to open up in order to assess the damage. If, unfortunately, businesses need to close down again, that will happen. I do not accept that it would be much better to stay suppressed all the way through to October because nobody can guarantee that we will be able to open up and go freely at that point. There is so much uncertainty. Seasonality is the big issue that is coming through here. We realise that if those who have been most suppressed at what might be called the extremities of the economy - the regional hospitality seasonal workers - miss out on this season, then we are not talking about them opening up in October or November. It will be next year before they open up again, if they are able to do so. That is a certainty and it is weighing up against the uncertainties that exist on the public health side. I am very sympathetic to what the 1,000 scientists said, but there is realism as well. We know the economic story with certainty. The public health dimension involves considerable uncertainty.

Mr. Neil McDonnell: I echo what Mr. McCoy said. From the outset, we never suggested speeding up public health measures in order to get people back to business. We have said consistently that we need to get people back to work as soon as is safely possible. Similarly, I remember a call that Mr. McCoy and I had with the Minister for Business, Enterprise and Innovation, where we said very succinctly to her that the public health process and the business process are not two that can go in sequence. In other words, we recognised that we were not going to have the virus to zero by the time we started reopening the economy, and that there would be a parallel process. We expect to hear from the Government on what is safe to do. If we just wait around to see what happens, the consequences for the State, the Exchequer and society are going to be very grim.

Mr. Danny McCoy: It is a source of disappointment to the business community that after a whole quarter, the system of tracking, tracing and containment has not been advanced in a way that would give us confidence that we will not have to face a future shutdown. We all appreciate that there may well be a second wave. With business having done its bit here, we would have liked to be in a position to have more confidence about tracking and tracing to ensure we can have more specific lockdowns, if they are needed, rather than the blanket approach we have had in the last quarter.

Chairman: I thank the witnesses and the Deputy. I call Deputy Doherty.

Deputy Pearse Doherty: Cuirim fáilte roimh na finnéithe. I thank the witnesses for coming before the committee and for all the work they do on behalf of their organisations. I would like to ask Mr. McDonnell about the Consumer Insurance Contracts Bill, which I proposed in this House. It was passed by the House six months ago and signed into law by the President, Michael D. Higgins, on St. Stephen's Day of last year. It was described by the Alliance for Insurance Reform as a game changer. The legislation offers new protection for consumers and SMEs in their insurance contracts, for example by requiring insurance companies to inform small businesses of any third party claims made against them. It gives SMEs the right to give evidence in disputing those claims. It makes it clear that where there is ambiguity in a contract, the contract has to be read in favour of SMEs. I am sure many vintners would like to avail of that legislation as they battle with insurance companies in the courts at present. Mr. McDonnell has probably heard that the Minister for Finance, after meeting the insurance industry, has decided not to give effect to that legislation. What signal, if any, does that send out to the small and medium-sized companies represented by ISME?

Mr. Neil McDonnell: We are most unhappy that the legislation has not been commenced. It has been the case for a long time that insurance companies have announced get-outs, such as strikes and acts of God, etc. It is not acceptable to us in the context of the denials of certain insurances such as business continuity and business interruption insurance. As all of these are contract-specific, I do not intend to get into the long grass of this matter with the Deputy at this time.

Deputy Pearse Doherty: Yes.

Mr. Neil McDonnell: There is no reason the pandemic should be used as an excuse for not commencing that legislation.

Deputy Pearse Doherty: I thank Mr. McDonnell.

I would like to ask Mr. McCoy about the supports for business. We heard evidence earlier from both of our witnesses that we are way out of step with our European competitors. I struggle to understand why this is the case. If we do not get into step quite quickly, we are going to lose more jobs. Just this week, I was speaking to a company that employs 50 individuals. It applied for the current Government loan schemes but was not entitled to them because of the strict criteria. It has decided to close its doors forever. I am having such conversations on a daily basis with people who are basically giving up because of the lack of supports.

I would like to ask what we need to do with the loan schemes that have been provided. When we look at the type of money that has been drawn down - €80 million over three loan schemes - we can make a comparison with what has happened in Britain, where €20 billion has been drawn down under a scheme that is 100% guaranteed, has a 0% interest rate and has no repayments for the first 12 months. Is this the type of ambition we need to ensure SMEs and larger companies come through this pandemic?

Mr. Danny McCoy: I agree with the Deputy that it is surprising we have not got support of that scale. I made a contrast with the UK earlier when I said that the capacity of the state to get liquidity to employers to help with their employees has not been matched in the UK in the way it has been matched here. This may be part of the explanation. The reopening itself requires people to assess what loans may be required to be drawn down. I fully concur with the Deputy, particularly on the credit guarantee. We need it to be 100% guaranteed, with no caps on it, and at a low interest rate be it 0% or not. That is the scale. Our understanding is that it is a legislative process. Given the state it is at currently, legislation is needed for some of these changes. Perhaps Deputy Doherty could direct me better on that front.

Deputy Pearse Doherty: Am I right to say that neither ISME nor IBEC are involved in discussions with the Department on the legislation that will come before us in time?

Mr. Danny McCoy: Is this legislation on the liquidity measures?

Deputy Pearse Doherty: I refer to the State guarantee legislation and the microfinance Bill that is to come before us.

Mr. Danny McCoy: Certainly IBEC is not engaged on the specifics of the legislation but we are consulted on other aspects of it.

Deputy Pearse Doherty: And ISME?

Mr. Neil McDonnell: No.

Deputy Pearse Doherty: I find this astonishing because one of the things to happen soon is that, in the next 20 minutes, the Business Committee will be asked to waive scrutiny of that legislation, which would usually allow for ISME, IBEC and the Department to give their thoughts on it. Obviously, we all want to see that legislation passed as quickly as possible, but the fact there is no engagement with ISME or IBEC, or indeed with any party of the Opposition, is quite alarming.

Mr. Danny McCoy: We do have engagement through the Department of Business, Enterprise and Innovation, as we said earlier, but not on the specifics of the legislation before the House.

Deputy Pearse Doherty: I will now turn to the role of the banks in supporting the recovery and the temporary so-called holiday that is a three-month deferment of payment, which I would argue is not a holiday. For example, a coach operator with a number of coaches who is looking to avail of this temporary repayment holiday for three months will be charged €2,000 extra per coach. This would put a company such as that to the wall. Does ISME have a view on the banks not really providing a proper payment holiday and continuing to allow interest to accrue, which is unlike what is happening in other jurisdictions such as Portugal, Spain and Belgium under certain circumstances?

Acting Chairman (Deputy Mary Butler): I ask Mr. McDonnell to be brief in his answer because we have gone over time.

Mr. Neil McDonnell: We believe it would be appropriate to extend and move the loan out rather than charge additional interest.

Deputy Colm Burke: I thank Mr. McDonnell and Mr. McCoy for their work and for their presentations today. I wish to go back to the funding available. I understand that the restart grant, which allows grants of between €2,000 and €10,000, is very much aimed at small businesses. Am I correct in saying there is €250 million in that fund?

Mr. Neil McDonnell: Yes.

Deputy Colm Burke: The Covid-19 working capital scheme has €200 million available for loans. Enterprise Ireland has more than €180 million available in a sustaining enterprise fund. They are all available currently. Are these not very much geared to small enterprises in real terms?

Mr. Neil McDonnell: They are, but the sustaining enterprise fund is very much aimed at exporting entities, even the small and microbusinesses, and they are debt-based solutions. We see businesses that say this is the last thing they need, businesses that say to banks that they cannot pay their mortgage. These are hairdressers who have missed all those treatments for weeks, restaurants that have not sold covers, and hotels that have not sold rooms. Those sales cannot be made up retrospectively, and asking for a debt solution is not the clever way to go.

Deputy Colm Burke: My next question is for both witnesses. Have ISME and IBEC made detailed submissions to Government about what they want done?

Mr. Neil McDonnell: Absolutely. ISME has also done this as part of the SME Recovery-----

Deputy Colm Burke: Is it possible that those submissions would be made available to Members?

Mr. Neil McDonnell: I am pretty sure that Members may already have those. The SME Recovery Plan has been given to all Members of the House. I am also pretty sure that the Local Jobs Alliance plan has also been distributed. I am very happy to send them on to the Deputy.

Deputy Colm Burke: And in relation to IBEC?

Mr. Danny McCoy: Yes indeed, it has been sent to all Deputies in our rebooting essential capital plan.

Deputy Colm Burke: I am aware that we received some documentation, but are there other proposals that we have not seen in the public domain that the organisations have made to the Government?

Mr. Danny McCoy: No. Nothing has been given to the Government that is not already in the public domain.

Deputy Colm Burke: I turn now to the banks and an issue with which I have a big problem. A simple recent example concerns a person who is in a permanent, pensionable, State job. This person and her partner are having a house built on a site they own. They wanted to draw down €60,000 of the loan to pay the builder. The bank would not allow it to be drawn down, therefore the builder cannot now pay his suppliers or pay many people to whom he owes money. What engagements have the witnesses had with the banks on this issue? They are reluctant to engage with companies at the moment. How can we change the approach that banks are making?

Mr. Danny McCoy: First, IBEC represents the banks; the banks are members of IBEC, just to put that on the record. It is my understanding that the banks are actually open for business and are providing those lending facilities. As to the specifics of the case, I do not know why-----

Deputy Colm Burke: I can give Mr. McCoy 25 cases where they are refusing to pay out loans because one of the parties is being paid full time by their company but the company is availing of the Covid support. The jobs are permanent jobs, there is no risk to the jobs, yet in 25 cases I know of the banks are not paying out the loans. Is that helping business?

Mr. Danny McCoy: In that particular instance the liquidity transmission that we require is for money to go around. That is why the Central Bank, and the European Central Bank, are making those facilities available, so that the transmission through our pillar banks happens. Why it is not happening in those particular cases I do not know.

Deputy Colm Burke: Okay. What engagements has ISME had with the banks, especially with small companies? Has Mr. McDonnell found that there is engagement at a local level, or that all the decisions are now made further up the line?

Mr. Neil McDonnell: With whom?

Deputy Colm Burke: Between small businesses and the banks.

Mr. Neil McDonnell: First, I do not represent the banks. We were surprised to see the number of our own members that had not engaged with the banks. To be absolutely fair, significant numbers of SMEs have not done so despite us telling them to engage with their bank. There also seems to be a capacity issue, especially when it comes to SBCI funding. The SBCI is clearing the release of funds but there appears to be a capacity issue with lending within the banks; I understand there are portfolio issues and all of that sort of thing. It is not a really black and white “the banks are bad” sort of thing here. There are clear capacity issues. We have run out

of road inside the pillar banks and the SBCI needs more routes to market.

Deputy Colm Burke: On Mr. McDonnell's concerns about the banks, is there going to be a joint approach between say IBEC, ISME, and the Government in dealing with the issues that are arising with them that small businesses are finding difficult?

Mr. Neil McDonnell: That is part of ongoing communication between us and the Government. We will just keep banging the drum and saying we are having issues. We will keep communicating it as we are with the committee today.

Deputy Colm Burke: Does Mr. McDonnell feel that the banks could approach it in a better way than they are doing at the moment?

Mr. Neil McDonnell: The issue is that our SMEs, unlike our European neighbours, are vastly overdependent on a very small number of banks. This issue is not really going to get sorted unless there are further routes, unless our credit unions, post offices and so on take over some of the functions of small banks. We could even go back to an Industrial Credit Company, ICC and Agricultural Credit Company, ACC, model where we have the SBCI lending directly. We just need more capacity in the market.

Acting Chairman (Deputy Mary Butler): I thank Deputy Colm Burke. I allowed him some leeway as he was very good last week in conceding a couple of minutes.

Deputy Foley has five minutes.

Deputy Norma Foley: I welcome the witnesses here today. It is hugely important that they are both here to give us an opportunity to evaluate what is, and perhaps even more important, what is not working for the business sector both large and small. I am very aware that from ISME's point of view the restart grant is wholly unacceptable given that there is a whole tranche of people excluded from it. I refer in particular to those, for example, in the bed and breakfast sector, small bus operators, community centres and so much more. I would like to raise with both witnesses the sustaining enterprise fund and what is not working there. Large businesses qualifying for the sustainable enterprise fund can be offered funding of up to €800,000 yet, on analysis, it would appear that throughout the entire country there have been a mere 13 applications for this source of funding. Equally, there is a grant available to smaller businesses which offers between €25,000 and €50,000. Again nationally there have been just six applications. Something has gone seriously wrong here and I would like the witnesses' input on that.

Mr. Neil McDonnell: The issue is around the fear factor. If one looks at the terms and conditions of the sustaining enterprise fund, it is pitched at manufacturing and international trading. My personal read from the outside is that there is this fear factor that if liquidity is given to businesses, they will do something naughty with it. We are saying that liquidity is blood for businesses and if they do not get it, they die. Stop tying this stuff up in terms and conditions. Give people simple, quick access to liquidity. Run it through the Revenue so nobody is cheating and nobody is doing any better. We really need to move away from what we are doing at the moment.

Deputy Norma Foley: Has Mr. McDonnell communicated with the Department the failures he sees here?

Mr. Neil McDonnell: Yes.

Mr. Danny McCoy: I think that is right; that is the issue with that particular scheme. It goes to the heart of what I have been saying. Going into this crisis, we knew that at household level and at the firm level, cash balances were quite strong. Facilitation of keeping workers on and facilitating workers through the cashflow has been taken care of in the main by the temporary wage subsidy scheme. It should have been much more, as I said earlier. The pandemic unemployment payment scheme is a poor substitute in breaking that relationship. Many firms had cash and Mr. McDonnell made the point that they want to hold on to it. To get into schemes, they need to assess their needs on reopening. There is the fear of taking on debt but also the fear of not knowing what one's business model will be post-reopening. It is a chicken-and-egg situation. We need to reopen to assess what actual take-up these schemes will have. Right now, we know the range of measures are correct but we have no idea whether it will be on the right scale, in the right proportion and to the right people. Without a reopening agenda, it is a moot point.

Mr. Neil McDonnell: We should look at what the Danes have done. Rather than coming out with terms and conditions and blinding people with all this stuff that frightens businesses off from applying in the first place, the Danish Government has asked businesses to show their losses under signature of their auditor and has told them it will cover them. That keeps everyone honest.

Deputy Norma Foley: I appreciate that. Fundamentally, a support is not a support unless it is a workable support and unless it can be drawn down. There are fundamental difficulties here.

I am conscious of time but I wish to raise one further issue. Chambers Ireland and others are seeking a national strategy that prioritises sustainable town centres. That is everything from transport to housing to, obviously, business as well. Would the witnesses subscribe to such a task force? Specifically, our towns and villages must be supported, particularly from the point of view of ISME. They are the heartbeat of our counties. What specifically would the witnesses like to see included in measures of this nature?

Mr. Danny McCoy: For the record, the national planning framework is in our submission to deliver that regional investment - the new €200 million fund that was described there to be rolled out for those centres. The *zeitgeist* here is the green deal. Remote working and the green deal can rejuvenate non-urban Ireland. Here is a great opportunity for the reset and the reimagining.

Mr. Neil McDonnell: I agree with Mr. McCoy but, aligned with that, here is an opportunity, as I said at the beginning, to fix old wrongs. Several parties in this House have suggested site value tax rather than the current commercial rates systems. This should be looked at. Businesses should not be penalised for being on the main street and not being out on the periphery. Project Ireland 2040 sees intensification. Town centres should be used and a site value tax would encourage that.

Acting Chairman (Deputy Mary Butler): I have a couple of questions if that is okay. Mr. McCoy said earlier that IBEC is Ireland's largest business representative. He stated that it represents the banks. Does it also represent the insurance companies?

Mr. Danny McCoy: We do but we are not the official representative. There is Insurance Ireland, a sectoral body, but insurance companies are members of IBEC.

Acting Chairman (Deputy Mary Butler): As Mr. McCoy is well aware, the issue around insurance and business interruption cover, especially for publicans, has been huge. I have met

many publicans in my constituency, as I am sure every other Deputy has, in relation to business interruption cover and the fact that they are not technically covered for the pandemic unless they had a case of it on their premises. What kind of interaction have IBEC and ISME had with the insurance companies to see if this can be moved on? We know now that some publicans had to resort to going to the courts to avail of their business interruption cover. I spoke to one publican and his insurance company is based in Europe. It is pulling out of Ireland and he has been left high and dry.

Mr. Danny McCoy: The specifics of it being before the court is an issue in the context of some of those factors. The final point made by the Acting Chairman is interesting. Given the narrative that insurance companies are making excessive profits in Ireland, why would international insurers be pulling out? We have to ask that question. The other issue concerns the specifics of contracts. Is it the pandemic that closed the business or the State?

Acting Chairman (Deputy Mary Butler): Returning to the direct question I asked, did IBEC have talks with the insurance companies on behalf of businesses?

Mr. Danny McCoy: We have done, and we do so with our members from across our membership base.

Acting Chairman (Deputy Mary Butler): Would Mr. McDonnell like to comment?

Mr. Neil McDonnell: Regarding insurance coverage for business interruption and continuity, again, because we are advising members on this issue, it is really about what is in the long grass of what is written in a policy. It is not possible to make a sweeping generalisation. Insurers, and I said this to a Deputy earlier, have had no issue for years in stating that they do not cover businesses for acts of god or for strikes. They also need to be very careful about making offers on business interruption and business continuity if they are not going to cover those instances. To be fair to insurers, however, we have a significant issue in Ireland with the level of damages and this comes back to the Members of this House. We need to straighten out the book of quantum and the duty of care, which is outrageous in this country. We also need a statutory offence of perjury to stop people lying for money and we need to straighten out the position when it comes to defamation. We know we have a problem when we see Hollywood stars flying into the country in order to sue for defamation.

Acting Chairman (Deputy Mary Butler): Both of the witnesses have appeared previously before the Joint Committee on Business, Enterprise and Innovation, of which I was the chair. We looked at the cost of doing business and one of our key recommendations was to straighten out, as the witness put it, the book of quantum. Unfortunately, that has not happened, and it always comes back to bite.

I have a question for Mr. McCoy in respect of one of IBEC's key recommendations, namely, getting people back to work by ramping up support for labour market activation programmes and increasing employment support funding. I was listening to the radio yesterday and I heard that 51% of people under 25 years of age are out of work. Another body of work we did on that committee was to look at the role of apprenticeships. Is there a major opportunity now for young people to get involved in apprenticeships and to earn as they learn? We were disappointed at the time to learn that only 2% of young females were involved and all the rest of the young apprentices were male. There is a major opportunity in this area for those people who have lost their jobs because of the pandemic. They might not have an easy road back to employment. Does Mr. McCoy believe this could be an opportunity?

Mr. Danny McCoy: Labour market activation is going to be crucial, particularly in light of the statistics regarding unemployment among young people, the rate of which stands at more than 50%. Apprenticeships and internships will form part of addressing that issue because this is a critical time for young people to get that kind of experience during their development. We know from previous crises that unemployment is a scarring on their lifetime incomes. We saw that from the great financial recession.

Some of these schemes will attract great popularity, similar to JobBridge. When analysis was carried out, however, despite public opinion, that scheme was found to be beneficial to the individuals involved and the testimonies of those individuals should be looked at again by legislators. Rather than turning our faces to some of the things perceived to have gone badly during the financial crisis, that scheme was one of the better ones, in my view, for the individuals involved.

Acting Chairman (Deputy Mary Butler): Would Mr. McDonnell like to conclude?

Mr. Neil McDonnell: I agree completely on the apprenticeship issue. In Ireland, we do not have a regard for those physical skills that people learn for technology. This has always astounded me. I was at a talk given some years ago by the former chief executive of Aer Lingus, Christoph Mueller. I never knew that he had started off as a welder in the German army. There is no regard in this country for people who advance themselves by means of their physical knowledge and the knowledge of their hands, yet they can still enter the higher education system via those skills. It will be noticed that in the last point we have made regarding the low hanging fruit, we made reference to not liquidating the National Training Fund. That money has been taken off employers through the national training levy and apprenticeships represent the sort of avenue we should use to spend that money.

Acting Chairman (Deputy Mary Butler): I thank Mr. McCoy and Mr. McDonnell for their time. This has been a good session. There was much toing and froing but we got many answers. We will suspend until 4.30 p.m., when we will be meeting representatives from the Department of Business, Enterprise and Innovation and Enterprise Ireland to discuss supports for businesses.

Sitting suspended at 3.55 p.m. and resumed at 4.30 p.m.

^ Reopening the Economy: Supports for Business (Resumed) ^

Deputy David Cullinane took the Chair.

Acting Chairman (Deputy David Cullinane): We are joined from committee room 1 by officials from the Department of Business, Enterprise and Innovation and Enterprise Ireland who are here to discuss supports for businesses. From the Department I welcome Dr. Orlaigh Quinn, Secretary General, and assistant secretaries, Mr. David Hegarty and Mr. Declan Hughes. From Enterprise Ireland we are joined by Ms Julie Sinnamon, CEO, Mr. Kevin Sherry, executive director, and Ms Rowena Dwyer, department manager.

I wish to advise our guests that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to this committee. If they are directed by the committee to cease giving evidence in relation to a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the

effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. While we expect witnesses to answer questions asked by the committee clearly and with candour, they can and should expect to be treated fairly and with respect and consideration at all times in accordance with the witness protocol.

I invite Dr. Quinn to make her opening statement.

Dr. Orlaigh Quinn: I have given the committee a detailed note on the business of the Department. I will briefly go through the main elements. I thank the committee for the opportunity to meet it and to set out the various areas in which we are involved. My colleagues, Mr. David Hegarty and Mr. Declan Hughes, are both members of the management board and can also contribute.

We operate against a very diverse background. We have a broad range of stakeholders, ranging from businesses to consumers to employees, and we lead on all of the key policies areas relevant to Covid-19 and enterprise, innovation, regulation and trade policy. We have 16 offices and agencies, all of which are working with us on the Covid-19 pandemic. We cover areas such as consumer protection, standards, health and safety and, obviously, enterprise and innovation supports. We have engaged across the board. We lead for the Government on economic analysis and on informing it in respect of the roadmap. We have published two reports on the latter in which we set out economic analysis of the scale of the challenge facing Ireland and the severe impact this has had on our economy.

From the earliest stage, we have responded to Covid-19. We have used every avenue possible. We have fast-tracked our employment permits section, brought in 1,800 health service workers and established a procurement working group to assist the HSE, and we are working with IDA Ireland and others to secure PPE with our colleagues across the Far East and China. We established a new supply chain unit to identify blockages and to leverage expertise from the science community and our stakeholder groups. We have also recently established a rapid response research and innovation programme with Science Foundation Ireland, Enterprise Ireland and IDA Ireland to lead on solutions for Covid.

In terms of regulation, we have had a range of activities across our agencies, for example, the extension of deadlines by the Companies Registration Office and the Intellectual Property Office of Ireland, as well as the SOLAS safe pass and various certification products to support companies as they find their way through this. For the business community, we established a Covid-19 business call centre through which we have had over 5,000 inquiries. We wrote to 230,000 companies to inform them of the supports available to them. Since the beginning of the crisis, the Minister, Deputy Humphreys, myself, senior officials and all sections of our Department have met on a regular basis with the business community. We have the enterprise forum and the retail forum, and we have met all affected groups, which has been hugely valuable to us in developing the supports we have developed.

Our business supports are tailored and they impact particularly on the SME and micro-enterprise sectors. There is a mix of grants, vouchers, low-cost loans and credit guarantees. We publish weekly data on all of the supports and their take-up. We see that, when combined with other supports like the write-off of commercial rates, wage subsidies and deferred tax liabilities, our overall package is aimed at improving cash flow, building confidence and assisting companies.

We have done a huge amount of work on health and safety in the workplace - working with the Labour Employer Economic Forum - and I have given the committee some details on that. The collaboration with the forum and with employers and workers has been central to our success to date. Just recently, we announced the deployment of more than 500 inspectors to work with the Health and Safety Authority, which is leading on that work.

As to other departmental work streams, obviously, there is legislation outstanding for some of our supports and we are working on this so it can be expedited for a new Government. We are working with the Company Law Review Group on all of the company law aspects, as well as working on all other aspects, such as credit insurance, commercial rents and remote working. At EU and international level, we lead on trade policy and, again, a huge number of issues have arisen which we are tackling. We are also involved in the rebuilding of the economy through Future Jobs Ireland and groups that have been set up, such as the senior officials group on economic recovery and the labour market group, and the National Skills Council.

From an internal point of view, we redeployed our staff very early and very quickly. We have made huge changes in our organisation and all of our practices are being delivered remotely. I am enormously proud of the team that I lead and their commitment. They have absolutely turned themselves to support the public that we serve. Obviously within the time available this is a very high-level overview but I am very happy to take questions and answer any queries that members might have.

Acting Chairman (Deputy David Cullinane): I thank Dr. Quinn. I should have said at the start that the witnesses have five minutes to give their opening statements. We will try to keep people to that five minutes, if we can. I invite Ms Sinnamon, CEO, Enterprise Ireland, to give her opening remarks.

Ms Julie Sinnamon: I thank the committee for inviting me here today to provide an update on Enterprise Ireland's response to the Covid-19 pandemic and how the agency is working with clients and the Government to support the regeneration of Irish enterprise. I am joined by my colleagues, Mr. Kevin Sherry, executive director and Ms Rowena Dwyer, head of policy. I have provided a submission on EI and its activities. In my opening remarks I shall focus on how we have responded to the challenges of the Covid-19 pandemic.

Enterprise Ireland's primary remit is the development and growth of Irish enterprises in world markets. We help companies to start, innovate and scale. Our client companies are in the manufacturing and internationally traded services sectors. These companies employ 221,000 people across the country and last year they spent almost €28 billion in the local economy. The agency also funds the local enterprise offices and, on direction from Government, administers certain schemes to non-agency clients such as retail companies.

I will summarise our Covid-19 response under three areas. First, we are actively involved with our clients on a one-to-one level; second, we support business through targeted liquidity schemes and advisory supports; and, third, we are helping companies become ready for recovery at home and abroad through our funding, innovation and diversification supports.

Covid-19 has brought many unseen challenges in terms of the sustainability of businesses. On foot of their strong 2019 performance, some companies, fortunately, came into the crisis in a healthy state but many face challenges. I will list the three most significant challenges starting with liquidity. The pandemic has placed sudden and immediate pressure on the working capital and liquidity of companies. Second, there is customer demand. Covid-19 has reduced

customer demand for products and services globally. For some companies this impact has been immediate and for others it will become apparent in quarters 3 and 4. Third, there are people, logistics and supply chain issues. The movement of people and products has placed increased challenges on companies resulting in increased operational costs. In response, one of our first actions was to set up a Covid-19 business response hub that any business - not just EI clients - could contact. As of yesterday, more than 3,600 companies have contacted the hub. We have provided advice and assistance to these companies on the suite of supports available from across government, including the wage subsidy scheme, the Restart grant and the Enterprise Ireland supports.

The immediate demand from many companies has been for business continuity and financial planning and liquidity supports. To assist companies the following additional Covid-19 supports have been introduced by Enterprise Ireland. First, there is the lean business continuity voucher amounting to €2,500 that supports companies to access training or advisory services. Since its launch in early April, 225 applications for funding have been received of which 182 have been approved. Second, there is the Covid-19 financial planning grant of €5,000, 100% of which is for preparing a funding plan. Since its launch in April there have been 510 applications received, 426 of which have been approved. Third, there is the online retail scheme amounting to €2 million that was launched at the end of April to assist retailers to enhance their online capability with funding of up to €40,000. More than 350 applications have been received and we are in discussions to increase the funding allocation in response.

The uptake of the Government's wage subsidy scheme has been critically important in helping many companies to retain their workforce. Enterprise Ireland's liquidity and medium-term financial supports are being delivered under the Sustaining Enterprise Fund that was also launched in April. Support of up to €800,000 can be provided to companies targeting them at their different stages of development and growth, for example, established companies, start-ups and small enterprises. To date, under the Sustaining Enterprise Fund, EI has approved 17 companies for funding; a further 41 applications are currently being processed and we are actively working with more than 100 companies to help them prepare applications for the fund. Our expectation is that the majority of the 500 plus companies that have applied for the business financial planning grant will also apply for the sustaining enterprise funding.

Enterprise Ireland works with companies at all stages of development, including micro enterprises, through our funding of the local enterprise offices. The local enterprise offices have operated some very successful schemes in recent months. A total of 8,220 business continuity vouchers of up to €2,500 and more than 1,600 training online vouchers have been approved. Yesterday, the training online voucher funding was increased to €19.8 million in response to demand.

The impact of Covid-19 on our clients is unprecedented. In addition, challenges such as Brexit and climate change will continue to impact Irish enterprise in the months ahead. Indigenous Irish companies are the backbone of the economy and we are committed to helping these companies to sustain and grow their businesses. Enterprise Ireland will continue to evolve its offers to meet the changing needs of companies. Our message to all businesses that need support is to contact Enterprise Ireland, the Department of Business, Enterprise and Innovation or their local enterprise office, to put in place funding plans now and not to wait. I welcome questions and I thank the committee for this opportunity to come before it.

Acting Chairman (Deputy David Cullinane): I thank Ms Sinnamon. I remind members they have ten-minute or five-minute slots. I have a list of people who have indicated and the

time slots they have been allocated. I will call out what they are when I get to them. If there are changes, I ask members to let us know. We must keep people to time so everyone gets in fairly and the Chair has a few minutes at the end to put his or her questions. Unusually, the first slot is Fine Gael and there is not anybody from that party here. I propose that we move to the first Fianna Fáil speaker. If somebody from Fine Gael comes in within the first three slots we will take him or her but if not the slot will have been lost, unfortunately. If this is agreeable with members present I will move on to Teachta Norma Foley, who has five minutes.

Deputy Norma Foley: I welcome the representatives of the Department and Enterprise Ireland before the committee. Their presence is hugely important as we seek to reopen the economy and reboot it from a business point of view, particularly as we journey through Covid-19 and equally with an eye to recovery for the business sector post Covid-19. I appreciate that many supports have been put in place but some are not working as well as they should. In this vein I specifically reference the business restart scheme. I appreciate it is tied to rates. It excludes quite a cohort of people, particularly in my county of Kerry, which is a strong tourism county. A section of bed and breakfast accommodation has been excluded from the scheme. These bed and breakfast operators have been without business for practically all of 2020 to date and it is very difficult to see them up and running without specific supports at this stage or later in the year. Equally, we have bus operators and community centres. Huge sections of society are excluded from this specific support. I ask Dr. Quinn whether there is an opportunity for a similar scheme to be introduced for those who are excluded.

Dr. Orlaigh Quinn: The restart grant scheme is €250 million and we estimate that approximately 100,000 companies will benefit from it. It is a recognition of businesses that have maintained links with their staff and it is available to microbusinesses. It is based on the commercial rates, and that is possibly what the Deputy referred to when she mentioned bed and breakfast accommodation. All of the schemes are kept under review. The tourism recovery task force is meeting at the moment and this is something it could look at. To date, we have had approximately 20,000 applicants and 15,000 have been approved. It is an opportunity in particular for businesses that have costs in starting back, for example relating to health and safety or Perspex, to cover some of these costs. It was done on this basis.

Deputy Norma Foley: I welcome Dr. Quinn's confirmation that everything can be reviewed. I appreciate that.

I have a question on the Return to Work Safely Protocol. There seems to be a delay, particularly with sector-specific guidelines. I refer in particular to public houses, hairdressers, barbers and beauty therapists. There are very large operators that need sector-specific guidelines at this stage. Where is that at this point in time? A number of people in the beauty sector have raised a further issue with me. These are highly trained professionals, many of them with a scientific background. Prior to Covid-19, they were working in quite a sanitised environment anyway, given the types of treatments they were making available. They feel excluded at this stage. They have worked in a sterile environment and they are *au fait* with what is required but they are low in the pecking order for a return to work.

Dr. Orlaigh Quinn: I appreciate that. Having been in contact with the beauty sector and having had meetings with representatives from the sector, we appreciate their concerns. The return to work safely protocol is developed in order for everybody in business to be able to work with it. We have made it clear that it sets out the standard that is required but that businesses can adapt it to meet their needs. I know the beauty and personal services sectors are working on that and adapting it. We have worked closely, through the National Standards Authority, which

is one of our agencies, with the retail sector, for example. This week, we are specifically working on the opening of the shopping centres, again because that was identified as a particular issue. We are available to help and advise when that is needed. I take the Deputy's point that the standards of hygiene they use are high. We are guided by public health guidelines on this. I know the beauty sector is keen to get back to work and we are keen for that to happen as well.

Deputy Norma Foley: I have a quick question for Ms Sinnamon. On the trading online voucher scheme, I appreciate the good news yesterday that it was increased but it has had a phenomenal uptake. Is there an opportunity going forward for a continual review of that with the potential for it to be increased on an ongoing basis?

Ms Julie Sinnamon: There was a significant €14.2 million increase to the funding yesterday. We have constantly kept all of the schemes under review and have responded depending on need. At this point in time, there are no plans to increase the funding further but we will review all of the schemes, based on need.

Deputy Jennifer Carroll MacNeill: I thank the witnesses for coming in and for the range of supports that have been provided. One of the biggest concerns I have is about liquidity for businesses that have made significant investment and have significant loans from September. I am particularly thinking of medium-sized enterprises that are above the threshold for microfinance and some of the helpful liquidity supports that are in place. I am thinking of some medium-sized enterprises in my constituency that have made considerable investment, that have had the benefit of the loan break for this period but that will be required to start repaying substantial commercial loans that they have used for investment in September. There is a need for funding to help them with refinancing because there are no circumstances under which they will have anything like the normal throughput to try to generate the revenue they will need to simply service those loans, never mind to service, for example, redundancy payments if they were necessary for staff in a reduced working environment or for anything of that nature. Could the witnesses talk us through some of the thinking on that? It is a major pressure point.

Dr. Orlaigh Quinn: I will address that and I will ask my colleague, Mr. Hughes, to come in as well as he specialises in this area. We have about 36,000 businesses on bank loan breaks. Our schemes will then be available to come in and support those businesses as time progresses. Our first port of call was to work with the banks on forbearance and that has proven to be successful. All the other schemes such as the wage subsidy scheme, etc., also come into the picture. I will ask Mr. Hughes to specifically comment on the point the Deputy raised about what will happen to the businesses at the end of their period of time receiving forbearance or supports.

Mr. Declan Hughes: We are very conscious of helping businesses through the first six months. The three-month break was important and the Minister, Deputy Humphreys, agreed that with the Minister for Finance and for Public Expenditure and Reform, Deputy Donohoe, around 11 or 12 March. That was an important early measure that gave businesses some breathing space and that is in place until September. Meanwhile, we have been negotiating the expansion of the SBCI schemes, the future growth loan scheme and the working capital scheme. One of the specific new additions to the future growth loan scheme is that it can be used for the refinancing of existing loans. That is with the agreement of the European Investment Bank, EIB. We will bring that forward as part of the new scheme and the expansion. We are looking to expand it, as the Minister announced, going from €200 million to approximately-----

Deputy Jennifer Carroll MacNeill: That will require legislation.

Mr. Declan Hughes: Yes, the European Investment Fund, EIF, support and the future growth loan scheme require legislation - we are working on that - as does the credit guarantee scheme, which is the other point I wanted to make. That will also allow for refinancing.

Deputy Jennifer Carroll MacNeill: Can I presume that that legislation is at a reasonably advanced stage of drafting insofar as is possible-----

Mr. Declan Hughes: It is.

Deputy Jennifer Carroll MacNeill: ----- and that, were there to be a new Government, it would be ready to go should the opportunity to put it through arise?

Mr. Declan Hughes: Absolutely. The Minister published the heads about ten days ago, I think, so they are available. The EIF support is part of the micro-enterprise loan fund (amendment) Bill, which was published in draft ten days ago. The credit guarantee legislation has also been drafted.

Deputy Jennifer Carroll MacNeill: Regarding the SBCI working capital scheme, it is my understanding that there have been approximately 3,000 applications. Approximately how many of those have been approved by the SBCI and how many have been subsequently approved by banks?

Mr. Declan Hughes: Approximately 2,900 have applied for their eligibility codes. I do not have the exact figure, but approximately 2,600 have been approved by SBCI. Obviously, that is a key first step, and that is where businesses want to ensure they have that cover available to them. The next step is going to the banks. What we are finding is that not all those who have got the tokens, which are valid for up to six months and can be renewed, are going straight to their banks. What we do know is that 372 loans have been approved at bank level on the working capital scheme to a value of approximately €45 million or €46 million. What we are finding is that as businesses reopen, they have signals around phase 1 and phase 2 and then go to their financial institutions and say they then want to use the facility-----

Deputy Jennifer Carroll MacNeill: I am terribly sorry to interrupt Mr. Hughes, but time is tight, given the way the committee is run. Is he telling me that 372 loans have been approved by banks out of 2,600 that have been approved by SBCI?

Mr. Declan Hughes: Yes, that is what I am saying. They are the figures-----

Deputy Jennifer Carroll MacNeill: What does Mr. Hughes think is the primary reason for that?

Mr. Declan Hughes: I think the issue is that those 2,600 have not yet gone to their banks - that is the key piece - whereas our advice now to businesses is that they have gone through the SBCI process, they have a token from SBCI and the key now is to go to the bank and to put that facility in place. It is certainly precautionary and it will enable those businesses to be ready for the reopening. If there are difficulties, we know there are refusals at the bank level and there are appeal processes in place, so it is better to have all that work done now. That is the difference between the 2,600 and the 372 which have been approved. We anticipate that, as we get into phases 3 and 4, more businesses will probably come forward and start engaging with their banks when they have certainty as to what the needs are. The other piece to look at is Microfinance Ireland, MFI, and the 437 that have been approved. They are micro-enterprises and a lot of them are in the stages that have reopened over the past two phases.

Deputy Pearse Doherty: Cuirim fáilte roimh ár gcúirteoirí chuig an coiste. Does Dr. Quinn agree with the Central Bank's financial stability note published on 23 April on SME liquidity needs in which it outlined there were 282,000 SMEs employing 1.1 million people and that over the next three months their liquidity needs will range from €2.4 billion to €5.7 billion?

Dr. Orlaigh Quinn: Obviously, I take the advice of the Central Bank very seriously. The liquidity needs vary depending on the business, when it opens and the position it is in when it does open. In Ireland we certainly have a strong number of companies that do not borrow from the banks. We would be unusual at EU level on that basis. Mr. Hughes has just described some of the supports we are putting in place. Clearly, they are in place to support companies.

Deputy Pearse Doherty: I appreciate that. One of the key findings of the Central Bank financial stability note is that SMEs needing to cover their expenses over a three-month period require between €2.4 billion and €5.7 billion. Does the Department agree with that assessment? Does the Department have its own assessment on the liquidity needs of SMEs over the same period?

Dr. Orlaigh Quinn: I am happy to take the advice of the Central Bank. Obviously, there are many advices available. Clearly, the Central Bank officials do their analysis. Let us consider it in terms of liquidity for companies. We need to look at it in terms of the broad range of schemes in place. For example, €1.44 billion has been paid out in liquidity under the temporary wage subsidy scheme. We have paid out under the various business support schemes that we have. We will have to assess it. I do not believe we can come down on a definitive figure at this point because we have to wait and see how companies come back into the economy and when and how they need supports.

Deputy Pearse Doherty: What is the total amount under the flagship loan schemes being made available by the Department? What is the total amount of liquidity that has been made available to SMEs?

Dr. Orlaigh Quinn: Under the loan schemes we estimate that approximately €6.5 billion is what we have put in place.

Deputy Pearse Doherty: How much has been drawn down so far? Dr. Quinn cannot talk about €2 billion being available in respect of which legislation has not been passed by the House, or another €2 billion that is only made available to larger companies rather than SMEs. Is that not correct?

Dr. Orlaigh Quinn: I appreciate that the legislation is not in place yet. We have to be ready for it but we also have to be aware that many companies are only coming back in now. The point is to try to make the supports available when they are available. Obviously, that is a matter for the Government and for us to be able to get that legislation through the House.

Deputy Pearse Doherty: This is my central point. I understand that Dr. Quinn is the Secretary General and the Government will make policy decisions on the matter. When we look at our European competitors, neighbours and other jurisdictions across all indicators, we see that this State is failing SMEs terribly. This applies whether in terms of the liquidity needs of SMEs, the loans that are being made available, the rates they are being made available at, the level of grants being made available or some of the other approaches, such as rates deferral. As a result, many of them are now deciding to close up for ever and for good.

Dr. Orlaigh Quinn: I do not think I would accept that, actually, because I believe we need

to look at it in the round. We need to look at the schemes we have brought in. We need to look at the €1.44 billion that has already been paid out. No other country has brought in the temporary wage subsidy scheme. What about commercial rates? We are also waiving all tax. I think we need to look at it in the round.

Deputy Pearse Doherty: With respect, Britain has a wage subsidy scheme amounting to 80%. Britain has waived rates not for three months, as we have done here, but for nine months. In the North, an SME in the most-affected sector has grant support available up to £25,000. Here, the figure is €10,000 at most. For all other SMEs in the North the figure is £10,000, whereas here a company gets as little as €2,000. Is the proof not in the pudding in the fact that so little has been drawn down under these schemes? Let me deal with the working capital loan scheme, which is one of the most successful by drawdown so far. The conditions are so difficult to reach that many companies simply cannot reach the mark. A company can pick any one of these to qualify. One requires that 80% of the loan scheme is spent on research and innovation. That is not where companies are at this point. They simply want to survive. A company must intend to enter a new product in a geographical market. A company must have registered a technology in the past 24 months. An SME must have research and innovation costs of at least 10%. The list goes on and on. The company must have used the loan to produce, develop or implement new or substantially improved products or it must be a fast-growing enterprise. Basically, many companies looking for working capital grants at this point need funding to put in place measures for social distancing, for example. They cannot avail of this scheme. That is why so little money is being drawn down from these schemes. Is that not the case?

Dr. Orlaigh Quinn: No. I think the Deputy needs to look at the scheme details again. We have changed the scheme details where they are Covid-affected. Research and innovation is not required, for example. The proof is in the fact that we have had 2,984 applications and that, of those, 2,600 have been deemed to be eligible.

Deputy Pearse Doherty: I have in my possession the scheme documentation. It states that applicants have to satisfy the Covid-19 criteria as well as one of the ten or 11 other terms. Let us take the example of a local café in Donegal looking for funding under the working capital scheme. Many people have told me that they have applied and been rejected because they cannot meet the criteria relating to these schemes because they are designed for something else. How can the café satisfy the criteria? It does not have venture capitalists investing in its business, it was not the recipient of a grant or loan from a European research and innovation scheme or, indeed, any of the other terms that apply.

Dr. Orlaigh Quinn: The Deputy needs to look at the range of schemes we have put in place-----

Deputy Pearse Doherty: It cannot avail of the working capital scheme though, can it?

Dr. Orlaigh Quinn: The company the Deputy has mentioned should go to MFI. There are various funding schemes available from MFI through the local enterprise offices, LEOs-----

Deputy Pearse Doherty: Let us deal with the MFI schemes. What is the rate for the scheme for smaller companies? The café to which I refer would be excluded from that because of the number of people it employs but let us go down this line of questioning anyway. What is the interest rate that is being applied to that scheme?

Dr. Orlaigh Quinn: The scheme is interest free for the first six months. The interest rate

has come down from 7.8% to 4.5%. As I said, there is no interest charged for the first six months so effectively it works out at just over 3% over the three years.

Deputy Pearse Doherty: There is no interest for the first six months and then a rate of 4.5% applies for the remainder of the period. I put it to the Secretary General that these loan schemes have been such a failure, as outlined by business representative bodies and individual business people, because of the criteria and the interest rates. Let us look at what is happening in Britain, our nearest competitor. Here a total of €80 million has been drawn down from three flagship loan schemes. In Britain, the drawdown in respect of the bounce back loan scheme has been €20 billion, multiples of what has been drawn down here. Why? Zero interest is applied in the first 12 months, zero capital repayment is required after that and the interest rate is only 2.5% for the following 12 months. Do the Department and the Minister really believe, at a time when so many SMEs are struggling to survive, that what will meet their needs is the provision of loans with interest rates of 4.5% when other jurisdictions are providing loans with interest rates of 0% and when the State can borrow on the markets at negative interest rates? Why are we unwilling to pass that lending ability on to businesses we need to survive in order to ensure that as many people as possible go back to work?

Dr. Orlaigh Quinn: Obviously, we apply the policy as decided by the Government. On MFI, we have had 686 applications to date and have approved 437. We just recently allocated another €100 million to that scheme because of the level of drawdown. I cannot comment on the overall policy issue but we would see ourselves as being very competitive on that scheme and hence, businesses are taking it up. Some of the difficulties we have are due to the fact that the economy has effectively been closed for three months for many of these small companies. It is only now that they are coming back into business, which is great to see, that we can engage with them. We have asked them all along to engage with their LEOs.

Deputy Pearse Doherty: I appreciate that. In the last couple of seconds remaining, I wish to ask about the credit guarantee scheme. As we know, there has always been a credit guarantee scheme here, with X billion euro available to it. The Government has announced a new credit guarantee scheme which will basically guarantee about 40%. Is that not correct? It is an 80% guarantee but it has a 50% portfolio cap so it amounts to a 40% guarantee for the banks. I ask Dr. Quinn to outline the interest rate that will apply to the loans. How does she believe it will be any more successful than the failed guarantee scheme that already exists? Why has the Department not engaged with business representative bodies such as ISME and IBEC regarding the legislation? Why has the Department not decided to do what has been done in other jurisdictions in terms of providing 100% guarantees? I ask the Department to submit to this committee a comparison between the stimulus packages in other European jurisdictions and that available in Ireland. Germany, for example, has announced a €1.3 trillion stimulus package, equivalent to 30% of its GDP. We are in the ha'penny place, and as a result, businesses are telling me daily that they are finished. They are giving up because they do not have the support they need to hang on any longer.

Dr. Orlaigh Quinn: We certainly have not seen the evidence of businesses giving up just yet. The interest rate is being negotiated at the moment, so I am not able to give the Deputy a figure in that regard. On the preparation of the legislation and the consultation, we consult regularly with ISME and IBEC, through the enterprise forum and our retail forum, and their views on the credit guarantee scheme have been taken on board. As I said, we are just drafting the legislation now but that will also be discussed with the relevant business community.

Deputy Steven Matthews: I thank Dr. Quinn for the submission from the Department

and acknowledge the huge workload of its staff across all divisions over the past three or four months. I have a few questions. ISME and IBEC gave presentations this afternoon and they have estimated that €15 billion is required in the short term for Irish businesses to survive. Does Dr. Quinn think that is an accurate figure? Second, as we are entering phase 2 there is increasing pressure from many sectors to reduce the distancing to 1 m. Does the Department have contingency plans and measures in place in the event of a second closure being needed?

Dr. Orlaigh Quinn: The Central Bank has estimated that between €2.4 billion and €5.7 billion will be needed. We have already announced supports in the region of €6.5 billion, though that does not take into account the revenue and subsidies for the wage subsidy scheme and other supports. Like everything, we have to keep it under review. We have increased schemes which were overutilised, such as the trading online scheme, and we keep everything under review and have made several changes in recent months.

On the issue of distance, we have published the national Return to Work Safely Protocol and within that we have been very clear that businesses should maintain the 2 m distance. That is the public health advice. However, we also state in the protocol that where it is not possible for businesses to maintain the 2 m, they can put in place proper safeguards to reduce the distance, such as Perspex screens or different ways of dealing with it. That is also available within the business community.

Deputy Steven Matthews: I asked whether there is a contingency plan in place if we had a second lockdown at some stage in the future.

Dr. Orlaigh Quinn: All our plans are contingencies. We will obviously be fully guided by public health advice on whether to pull back if we have a second wave. We would make that very clear through the business community and by working with our enterprise forums. The contingency is that we are dealing with it daily and adapting as need be.

Deputy Steven Matthews: I refer to the digital innovation and technology sectors. In recent months we have all had to learn new working arrangements such as working from home and online working. With that in mind and given what we have learned from the Covid pandemic, does Dr. Quinn think we need to speed up our investment and the resources we put into the digital economy to support those sectors, which create long-term sustainable jobs? I am aware that there is a roadmap to the digital economy. Does Dr. Quinn think we should speed up that roadmap, given what we have learned in recent months?

Dr. Orlaigh Quinn: We have learned a huge amount. We published a report last December on remote working and I have asked my team to pull it out again because we now have so much learning as a result of the pandemic. Some 90% of our staff are working remotely. It suits some but certainly does not suit others, and we have had varied experiences right across the economy. It is something we should speed up. It has huge potential for us in terms of the regional economy. If we can deliver remotely it takes significant pressure off us in terms of cities and allows us to spread out much more. We see it as having major potential and providing an advantage, and it is something we are actively looking at.

Deputy Steven Matthews: Is there enough engagement between Dr. Quinn's Department and the Department of Housing, Planning and Local Government in terms of revitalising and reinvigorating town centres and creating space, such as through pedestrianisation, where it is safer for people to walk in order to help local businesses? Can we do more?

Dr. Orlaigh Quinn: We are very engaged with that Department because we have nine regional enterprise forums around the country, comprising a range of stakeholders, all of which are led by business people. They work very closely at local authority level. There are significant opportunities in that area and each has a specific plan for the region. It is an area we are renewing at the moment. We work closely with our colleagues in the Department, particularly through some of the senior officials groups that would be led out of the Department of the Taoiseach. I see that as providing a major opportunity for us.

Deputy Ged Nash: I welcome the witnesses, officials and Ms Sinnamon from Enterprise Ireland. They would agree that critical to the success of reopening our economy will be our collective commitment to ensuring that the health and safety of business owners and workers is secured insofar as it possibly can be. I and other colleagues have raised over the past few weeks the importance of ensuring that we have a sufficient number of trained HSA inspectors to ensure compliance with the guidance currently in place. How many inspectors are currently in training and from where have those potential inspectors been sourced? My recollection is that a commitment was made to redeploy staff from the HSE and give them the necessary training they would require to be HSA inspectors. Dr. Quinn might elaborate on that and state when they will be in the field.

I ask her to confirm how many inspections have been undertaken to date in respect of compliance with the new Return to Work Safely Protocol. Have any compliance notices been issued by the HSA to any employers who have breached the regulations and guidance in place?

With regard to health and safety, would Dr. Quinn agree that Covid-19 should be reclassified as an occupational illness, in other words, as a condition that can be and is being contracted in the workplace? The evidence from NPHE and various experts working in the field shows the relatively high number, proportionately, of healthcare workers who have contracted Covid-19 in the course of their work.

Dr. Orlaigh Quinn: I thank Deputy Nash. To clarify, as we said earlier, we have negotiated with colleagues in the Departments of Agriculture, Food and the Marine and Health. We have 200 environmental health officers assigned to work on Covid-19 under the guidance of the HSA. There are 250 agriculture inspectors from the Department of Agriculture, Food and the Marine. Also aligned with them are our 50 workplace relations commission inspectors. That gives us in the region of 500 inspectors. We have also said that if further inspectorate resources are required we will look at that again. Each of the inspectors will be trained by the HSA and will use the same standard approach. We will operate on that basis.

Up to now, the HSA has done, from my understanding based on the last figures I received, something like 1,100 inspections. Of those, about 800 were specifically related to Covid-19. My understanding is that it is very satisfied with the level of compliance to date. It has worked very much on the engagement side, on training and on all of the supports put in place to make sure that employers can work. It is also developing very specific guidance. As the Deputy knows, part of the Return to Work Safely Protocol is having a worker representative. It has been working very specifically on training for that person.

Deputy Ged Nash: No compliance notices have been issued to date.

Dr. Orlaigh Quinn: No.

Deputy Ged Nash: I know the HSA takes a risk-based approach to its inspections and

works in a collaborative fashion with employers to try to ensure all the necessary protections are put in place. I am concerned that at this point it has not felt the need to issue any compliance notices to any employers who may have erred.

Significant Exchequer resources will be deployed to the business sector in the coming months, which is necessary to ensure our economy opens. We need those business supports in place and we need people back at work. A trend has emerged in other EU member states where conditions are attached to the substantial liquidity supports provided to those businesses. A growing number of member states are applying conditions relating to tax haven status. In other words, if a company is registered in a tax haven and not paying its taxes here, it cannot access wage subsidy schemes or state liquidity supports in the countries in which they are resident physically, but not tax resident. Should the Irish Government consider this, given the massive scale of resources being deployed to the business sector at present?

Dr. Orlaigh Quinn: Up to now our key conditionality has really been focused on viability and jobs. We have operated on that basis. We have not looked at other criteria such as those the Deputy has mentioned. Clearly that would be a matter for the Government if it wanted to take a policy decision on that aspect, but it has not been on our radar at this stage.

Deputy Catherine Murphy: I refer to the point Deputy Doherty made about the draw-down on the liquidity scheme. What is the reporting mechanism to the Department on that? What has been drawn down so far?

Dr. Orlaigh Quinn: Across the range of schemes we report weekly. We publish every week the number of schemes, the number of applications submitted, the number of approvals made-----

Deputy Catherine Murphy: I just want to focus on the drawdown.

Dr. Orlaigh Quinn: We publish that on a weekly basis.

Deputy Catherine Murphy: What has it been it up to now?

Dr. Orlaigh Quinn: Is the Deputy asking about any particular scheme?

Deputy Catherine Murphy: It is regarding the liquidity from the banks. It is the point Deputy Doherty was making.

Dr. Orlaigh Quinn: Is it the Covid-19 working capital scheme?

Deputy Catherine Murphy: Yes.

Dr. Orlaigh Quinn: To date the drawdown has been €46 million with 372 loans approved. That is out of 2,678 who have been assessed and found eligible. As my colleague said earlier, some companies have gone through the first assessment process, but then they have not gone further to apply for the loan. That is probably the stage their business is at currently.

Deputy Catherine Murphy: The very obvious one at the beginning would have been the online trading scheme. We heard from people who were making applications up to last week. Yesterday's announcement is very welcome. Would that not have been the most obvious requirement given that retailers could not open their doors? People have been shopping online which was an opportunity. It may well be an opportunity in the long term as well. Why was that not identified early on? There has now been a lag in that. I think Dr. Quinn's colleague said

there was no proposal to revisit that just yet or to future-proof it, using my own terminology.

Dr. Orlaigh Quinn: We started initially with a small amount. It was a test scheme. We have had three years' worth of applications in three months. As the Deputy said, it has been very popular, which is great to see. We doubled it initially to try to deal with the money coming in. Since then we have brought it back up to €20 million. We are very pleased that so many companies have engaged. It has been a major aim of ours for many years that people would go on the retail. To date we have approved 1,600.

Deputy Catherine Murphy: I know it was very popular because I was getting phone calls to my office, as others were also. The problem is that there was a lag. It strikes me that this would have been the really obvious one to ensure that there was sufficient funding.

Dr. Orlaigh Quinn: Nobody would be turned away on this.

Deputy Catherine Murphy: There is another area-----

Dr. Orlaigh Quinn: We have all of the applications and we will proceed with them.

Deputy Catherine Murphy: If the money is exhausted presumably there will be further opportunities.

With the limited amount of time still available to me, I will move on to the response on the Safe Pass, which is another issue which is coming up strongly. While the extension of the time periods is welcome, new applicants and many people who came back from other countries cannot work because they do not have a safe pass. What is proposed on this?

Dr. Orlaigh Quinn: Safe Pass is a concern for us. It is not a scheme of our Department but of the Department of Education and Skills involving higher training. The difficulty is the actual delivery of the training, where it has been delivered in person. My colleagues in the Department of Education and Skills are looking at this to see how best they can deliver this training. We have a huge interest in this because it is a source of employment for people and is an area that we are keeping a very close eye on. We hope to have a solution to that to allow people to do the training either off-line or in designated areas.

Deputy Catherine Murphy: We all know how difficult-----

Dr. Orlaigh Quinn: Absolutely.

Deputy Catherine Murphy: ----- and costly it is to create new employment. The connection between employment and the wage subsidy scheme is very important. It is a good scheme. The time lag in a matter like this has to be minimised. We will lose opportunities. I can envisage a situation in a year's time where we will be looking back and asking why we did not do this more quickly. This is a very important matter and I encourage Dr. Quinn to get that delivered as quickly as possible with the Department of Education and Skills.

Where there are schemes from which businesses are going to benefit, as in the report we saw yesterday on low pay, the connection between quality employment and supports must be made if we are all going to come out of this together in any kind of decent shape. We must benefit from some of the initiatives that have been taken.

Chairman: The next party group is Solidarity - People Before Profit but as there is not a member here, we will move on to the Regional Group and Teachta Matt Shanahan, who has

five minutes.

Deputy Matt Shanahan: I thank the Acting Chairman and our guests for coming here today. I put my first question to the Secretary General on the loan supports outlined earlier by her. I see the Covid-19 loan support had an application or success rate of 63%, the continuity voucher, 55%, and the online training voucher, 40%. I would be disappointed if I was one of the businesses that was making an application. This seems to be quite a high bar to get over considering we are looking for State support here.

On the Covid-19 working capital scheme, did the Department at any time consider involving Revenue here, rather than putting this through the pillar banks, which we know are not lending and where there is a block in processing applications? Would it not have been easier to ask Revenue to drop money into businesses' accounts as it has the best management system in the country? This could have been done at the 0% or the negative rate that Government is borrowing at, rather than making these loans available at 4.5%.

Dr. Orlaigh Quinn: I thank the Deputy and assure him that under the schemes he has mentioned, it is not that the businesses have failed the application but that they are still in the process. The figures we are giving the committee represent the companies that have been successful. The others are still being assessed. The success rates are quite high.

On the Deputy's suggestion about Revenue, it does not assess loans or have capacity for loans. It was not an option for us. This is not its business model. Therefore, for our part, it was very much about working with the banks, which have the capacity to lend and to assess the viability of companies, which was also part of it. The Department works very closely with the banks to make sure applications are assessed as they come through. Our meetings with the banks are ongoing and the Ministers, Deputies Humphreys and Donohoe, also meet them regularly. It is an area of work we continue to progress.

Deputy Matt Shanahan: The committee heard earlier from representatives of IBEC and ISME who outlined some of the challenges their members face, one of which is liquidity. Will Dr. Quinn indicate the Department's position on two other challenges? The Company Law Review Group is looking at the issue of examinership lite. Does the Department have a role to play in that regard and will Dr. Quinn give an opinion on it? It is a significant cost to businesses if they have to enter an examinership process. The second challenge is insurance. IBEC and ISME today called for a Cabinet sub-committee on insurance, perhaps led by the Taoiseach. Will Dr. Quinn give us her thoughts on that matter?

Dr. Orlaigh Quinn: Examinership is very important and comes within the Department's remit because it falls within company law. We are looking at the issue through the Company Law Review Group, of which ISME is a member. It has submitted proposals which are being examined as part of the group's work. We need to be clear, however, that the interests of a number of parties are involved, be they customers, creditors, suppliers or employees. The range of interests needs to be balanced in any assessment. We have in place a number of working groups, which have met regularly to produce proposals for the Department. We need to look at this issue in the round and the Government needs to take a decision when that work is finalised. As I said, this work is being prioritised and ISME is involved in the working group, in which we get the full range of views.

Deputy Matt Shanahan: The issue of insurance is the bane of everyone in the SME sector's life.

Dr. Orlaigh Quinn: I know. Unfortunately, insurance is not a matter for my Department. It is a matter for the Department of Finance. Again, we work very closely with that Department and we are very conscious of the range of areas referred to by the Deputy and which cross our desk also. We are working with our colleagues in the Department of Finance.

Deputy Matt Shanahan: I apologise to Ms Julie Sinnamon as I will not get to my last question. I do, however, have one more question for the Secretary General, which is on the National Standards Authority of Ireland, NSAI. I have been working with a number of companies trying to get products into CE certification. We are looking for some kind of fast-track mechanism whereby companies can supply under procurement to the State. Will Dr. Quinn ask her Department officials to examine that process to provide some fast pathway where companies can apply for quick CE certification?

Dr. Orlaigh Quinn: I would be very happy to do so if Deputy Shanahan sends me the details. We can look at anything like that with regard to the NSAI. The NSAI has been front and centre in trying to tackle Covid-19 and various areas of work. If there is an area where the Deputy believes we could assist, I ask him to send details to me.

Acting Chairman (Deputy David Cullinane): If there is time at the end, Deputy Shanahan can come back in again if he wants to put a question to Enterprise Ireland.

Deputy Michael Collins: Many of the grants and aids available are based on rates a business has paid. While this may be fair for some businesses, others struggling as a result of Covid-19 are not paying rates but they are paying staff and paying to keep vehicles on the road. What can the Department offer these types of businesses in these times?

Dr. Orlaigh Quinn: I would like to think that the supports we have put in place are available. While a business might not be in the commercial rates cohort, for example, a single-person business with a van, it may qualify under the temporary wage subsidy or perhaps under Microfinance Ireland, MFI. I strongly recommend that such business owners visit their local enterprise office where people have the expertise to help identify the supports and point them in the right direction. One area where we are keen is to have businesses sit down and look at their financial planning. There is very good expertise available for people to set out their business plans and help them work on that basis. We have tried very hard to ensure we have a range of schemes for all sectors. For the small business, the first port of call should be the local enterprise office.

Deputy Michael Collins: There are still a good few people who want to start businesses, even at this very difficult time. I met a few of these individuals in the past few weeks. How accessible is it for new start-up businesses to get grants? Much of the criticism that comes from people who are trying to start businesses is that the grants do not exactly come straight to them to get their operations up and running. There is a middle man who takes a lot of this money before they get their hands on it. That kind of available cash is needed by people to start their businesses. How accessible is grant aid for start-up businesses?

Dr. Orlaigh Quinn: It is very accessible. We have seen - and it is good to see - a number of increases in company registration for new businesses coming on board. Again, that is very much welcome in this climate. There is a range of schemes available. Enterprise Ireland certainly has a number of schemes that are specifically focused on start-ups. I recommend strongly that they could come either through their local enterprise offices or Enterprise Ireland.

Deputy Michael Collins: Yes. Enterprise Ireland obviously will be very much at the forefront in any business recovery in these times, but politicians will also be at the forefront. How can we work together? It is not good enough for us to just be passing on phone numbers or email addresses. Is it possible that public representatives could have one-to-one contact with Enterprise Ireland going forward in order that we can build a better relationship, particularly as these are very difficult times for many businesses and we need to find solutions? We need to work with the Department and Enterprise Ireland to identify those and we need to have them ourselves. How can this relationship be built? The relationship is not great at present. It needs to be worked on.

Ms Julie Sinnamon: Enterprise Ireland would be very happy to engage with Members of the Houses in order to understand any specific issues, but we are very actively involved in supporting start-up companies. It is one of the key areas in terms of supporting new companies. Also, through programmes like new frontiers we supported about 165 new entrepreneurs last year. This was not just through Enterprise Ireland, it was also through the local enterprise offices. We are very happy to engage with anybody who can help us to achieve our objectives of supporting more start-up companies and to help our existing portfolio to scale in global markets. We are very happy to engage in whatever way the Deputy thinks would be useful.

Deputy Michael Collins: I thank Ms. Sinnamon. I have another question. Young couples - mainly the employees of businesses - who had secured mortgage approval to buy their first homes have had it withdrawn by their banks because one of them is availing of the temporary wage subsidy scheme. This situation also means that they may not even get their deposits back. Couples are being told that the banks cannot now give them mortgages. Is there anything businesses, as their employers, can do to support these employees, who have worked during the pandemic to help keep them on track, with their mortgage applications.

Dr. Orlaigh Quinn: It is probably a broader issue of getting people back into work as well, but certainly if there are issues like that, we can bring them to the attention of our colleagues in the Department of Finance.

Deputy Michael Collins: I would greatly appreciate it if that was done because it is causing a lot of stress for people who were almost across the line with their mortgages and who have now been pulled back. Dr. Quinn mentioned the Safe Pass. Are we close to something being done about that because quite a number of people are looking to get a Safe Pass across the line and are struggling at this time.

Dr. Orlaigh Quinn: What we did was we extended the time for the Safe Pass, so anybody who has one can continue to keep it. As already stated, however, if new people are coming on board, they have to do the training and that has been a particular concern because of the closing down of the education sector by the Department of Education and Science. I know that the latter is looking at options, and we are very keen to work with it to get that in place because, obviously, it offers new opportunities for people to work.

Deputy Michael Collins: I appreciate that. I thank Dr. Quinn.

Acting Chairman (Deputy David Cullinane): I thank Teachta Collins. Deputy Colm Burke has ten minutes.

Deputy Colm Burke: On the latter issue, my understanding is that anyone who had a Safe Pass which expired after 1 March has had it extended, but anyone whose Safe Pass expired

before 1 March cannot go back into employment. Can Dr. Quinn give me some clarification on that?

Dr. Orlaigh Quinn: My understanding is that when Covid hit in March, people who had the Safe Pass retained it, and we have extended the deadline for it. If they did not have a Safe Pass then, they need to reapply and that is part of the difficulty we outlined in terms of potential training being available for them.

Deputy Colm Burke: There is a period of time between 1 January and 1 March. Could we not extend it back to 1 January so that anyone who had a valid Safe Pass after 1 January would also get the extension in the same way as the people whose Safe Pass expired after 1 March? I do not understand why the time was put in so strictly. I know of one person whose Safe Pass expired on 18 February. That person cannot now get work and has turned down four or five jobs in the last three weeks.

Dr. Orlaigh Quinn: I will look at it. I am not familiar with the particular case the Deputy mentioned. I will talk to colleagues in the Department of Education and Skills and see what possibilities there are.

Deputy Colm Burke: I have already raised a query but I have not got a satisfactory answer. There are quite a number of people in that category where their Safe Pass was valid after 1 January but not after 1 March. They are now in a position where they cannot go to work. I presume that because of the level of inspections and everything else, employers will not allow anyone on site unless they have a Safe Pass, and rightly so.

Dr. Orlaigh Quinn: It is hugely important that people have it. The date was 1 March but let me look at it.

Deputy Colm Burke: The second issue I want to touch on relates to young people. We have a large number of young people who are now unemployed. We face a huge challenge over the next 12 months because many people, especially people who finished whatever training they were doing, would normally travel for 12 months or 18 months and then come back to Ireland to work or maybe they would stay away for two or three years. That is not now happening. They are all at home and their access to jobs is extremely restricted. Is there any proposal by the Department to look at this issue? How can we involve young people in businesses? For instance, yesterday I had to write a reference for a person who is only 22 years of age. She has already set up three companies which she has handed over in that they have moved on to further development. There is a large number of young people who have huge initiative, are extremely talented and are now extremely restricted in what they can do. Is the Department going to develop any programme to cater for that group, particularly over the next 12 months? It is going to be a huge challenge. There are people with huge talent out there. We need to use such talents and the country will benefit as a result.

Dr. Orlaigh Quinn: If it is in terms of businesses and business start-ups I mentioned earlier as did Ms Sinnamon that all supports are possible for that area. We are obviously very dependent on businesses reopening. We are beginning to see that as businesses reopen they are beginning to take on staff and that is very welcome.

We are also working with colleagues in the Department of Education and Skills in terms of apprenticeships. It is an area where I see a particular focus for young people. We know that there were many vacancies prior to the lockdown where employers found it very hard to fill jobs,

and there still are such vacancies. We need to make sure that all of the agencies of State are involved. We work very closely with colleagues in the Department of Employment Affairs and Social Protection. That is an area where we will certainly be focusing our efforts because I agree with the Deputy in terms of the younger cohort-----

Deputy Colm Burke: What I am talking about is an incentive scheme for internships. I am not talking about cheap labour but of internships in order that people get the initial experience so that they can go on and develop in the jobs market. I am concerned that with 45% or 50% of young people out of employment we may lose a huge opportunity by not having something we can give to companies to attract young people into them. It is something the Department should look at.

Dr. Orlaigh Quinn: In the past the Department of Employment Affairs and Social Protection had a very specific scheme and it is something I can raise with it and ask if it intends to revisit that, or how it can grow that. It was very much within that Department's ambit at the time.

Deputy Colm Burke: Personal security clearance is required by several companies tendering for projects in Europe. It appears that this matter is being passed from one Department to another. Can something be done regarding which Department takes responsibility for this? It concerns research and development, but personal security clearance is needed. I raised the issue with the Department of Foreign Affairs and Trade last week, but I have not received a satisfactory reply. Substantial funding is involved at European level. It is called personal security clearance and it needs the Department-----

Dr. Orlaigh Quinn: I am not familiar with that matter but I will come back to the Deputy on it.

Deputy Colm Burke: Will it be followed up?

Dr. Orlaigh Quinn: Yes, it will and I will come back to the Deputy.

Deputy Colm Burke: My next issue is exports. The figures for March were extremely high. For example, the figures for the pharmaceutical industry were up by about 60% year on year. Perhaps the representatives from Enterprise Ireland might deal with the issue of exports in the next six to 12 months? There is a suggestion that they will drop by 8%. Is there any specific area where it is expected that this drop will happen? In the pharmaceutical sector, for example, have we any indications of an increase in exports rather than a decrease? The witnesses might outline the areas in respect of which there are particular concerns regarding exports.

Ms Julie Sinnamon: I will start from the perspective of Enterprise Ireland. We will be announcing our 2019 results in the next few weeks. We have a board meeting tomorrow at which those figures will be presented. There are record levels of exports from Irish companies. As I said earlier, many of our companies came into this Covid-19 crisis in a strong position. At this stage, we are seeing an impact on exports across the world and this differs by sector and region. Some sectors, such as food service, for example, have seen a strong impact on companies, whereas the consumer food side has been less affected. Areas such as high-tech construction, where we have a strong group of companies, including those in medtech, have continued to grow.

It is too early to know more, because it really depends on how global markets open. In the past week and a half, we have reopened eight of our offices globally, particularly those in Asia, and we are seeing demand return in those markets where previously companies had faced is-

sues relating to sub-supply chains and other matters. That is not to say that there are not still issues. Movement of people is still a major issue, but the movement of products has continued with relatively little delay. As markets recover and as government stimulus packages are put in place, we will see a recovery from the perspective of Irish enterprise exports as that happens. However, we do not yet know what the final outlook will be for 2020.

Deputy Colm Burke: In the context of projects Enterprise Ireland had identified and more or less sanctioned for the next 12 months, is there any evidence of any of these being parked and development delayed? I refer to the expansion of existing companies or new companies coming into Ireland.

Ms Julie Sinnamon: We are dealing with the indigenous industry group. There was a delay for a few months as companies put some of their projects on hold, and some multinational companies delayed contracts. That has had a knock-on impact on Irish companies. Regarding overall delays, we will see those contracts resume as markets and companies get back to work.

Deputy Colm Burke: Enterprise Ireland has no evidence that companies have decided to put projects off for two, three or four years. There has been no indication of that to date.

Ms Julie Sinnamon: We have not seen any of that in our client base at this stage.

Deputy Colm Burke: That is fine. I thank Ms. Sinnamon.

Acting Chairman (Deputy David Cullinane): I call Deputy McGuinness. He has ten minutes.

Deputy John McGuinness: Have there been any discussions with the credit union movement? It has assets of €18 billion and is willing to get involved in supporting commercial loans. The credit unions want to play their part in the recovery after Covid-19. What discussions have there been with the credit union movement?

Ms Julie Sinnamon: We have had discussions with them. I will ask Mr. Hughes to provide the details in that regard.

Mr. Declan Hughes: We are looking at all players in the market and trying to see what more we can do with them. The credit unions are very much on our radar in terms of their potential as we roll out SBCI and EIB funding. We consider the credit guarantee scheme to be particularly relevant to them. They are already working with many businesses. As the Deputy is aware, there is a very good credit union in Kilkenny. The credit unions are a group with expertise around the country and we hope to do more business with them.

Deputy John McGuinness: When do the witnesses expect a decision to be made to not just engage with the credit unions, but to assist them with putting their €18.5 billion in assets into play in order to support businesses in their areas? They have a methodology for assessing and dealing with loans and they know their customers. There has been a great deal of talk about supporting micro-enterprises. Using the credit union movement is one sure way of getting money into the local economy. Do the witnesses have any idea when a decision will be made in that regard or when engagement might commence?

Mr. Declan Hughes: As we progress the legislation dealing with the credit guarantee scheme through the Oireachtas in the coming weeks - obviously, that will depend on the programme for Government - it is hoped we will be in a position to work with the credit unions as part of that

scheme. Other decisions in respect of an expanded role for credit unions, etc., will be a matter for the Department of Finance. We are keen to work with the credit unions.

Deputy John McGuinness: It is currently reliant on legislation.

Mr. Declan Hughes: The credit guarantee scheme is, yes.

Deputy John McGuinness: On the SBCI, I understand that it deals with applications efficiently and well and that all of the roadblocks for proposals from businesses arise when the pillar banks get involved. There is a requirement to secure 20%, the banks are not too pushed about getting involved and they are stalling on applications. Is that the experience of the Department? Does it have evidence in that regard?

Mr. Declan Hughes: This is an issue on which we are continuously engaging with the banks. The Minister, Deputy Humphreys, has had several meetings with the CEOs, both individually and collectively, since the beginning of the pandemic. Indeed, she had further discussions with them last week, as well as with the head of the Banking and Payments Federation Ireland. We are working with the banks to address the issues in respect of the volume of applications, as well as their various checks and so forth. Our ambition is for that to be dealt with very quickly in order that businesses know what is happening. There has to be a quick turnaround on the applications. Some banks are quicker than others and are getting through the applications.

Deputy John McGuinness: There has been a reluctance on the part of the banks to engage in a way that would convince me or others that they have skin in the game and are willing to deal with these loans. In fact, the opposite has been the experience. Will the Department look at another mechanism such as a community banking system, the credit unions or any other outlet that would provide some sort of competition to the banks in this area? The numerous complaints I have received indicate that the system is not working and that it is being held up by the banks. I ask the Department to examine the matter in that context.

I wish to return to the issue of insurance. It was raised earlier. The problems in this area have gone on for far too long. The Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach did a significant amount of work on the insurance industry. We now know that some insurance companies are using the fine print to avoid paying out on claims relating to Covid-19, that businesses are encountering more and more difficulty, that insurance costs have gone up significantly and that there seems to be no rein on the industry. What action has the Department, along with the Department of Finance, taken to ensure that some sort of sense returns to that marketplace? Businesses cannot afford the cost of the premiums they are being presented with.

Dr. Orlaigh Quinn: Apart from motor insurance, which falls under the remit of the Minister for Transport, Tourism and Sport, policy responsibility for insurance is a matter for the Minister for Finance. We have had discussions with business and the Minister for Finance would certainly acknowledge, as does our Department, the serious impact of insurance and what has been occurring in the marketplace. Ultimately, where there are insurance disputes, they are resolved through the Financial Services and Pensions Ombudsman's dispute resolution-----

Deputy John McGuinness: Sorry for interrupting. I know that. I am trying to give Dr. Quinn a sense of the urgency that is required in the context of businesses that have to make a decision for today or tomorrow. The discussions that are going on in numerous areas are simply taking too long. Businesses will not be able to withstand the inefficiencies in the Government

or its agencies in regard to dealing with these issues.

Earlier today, we heard from IBEC, which seems to have the view, “Open up, see what your problems are and then seek help”. The opposite is actually the case. Businesses plan for tomorrow and they need to have a clear pathway to interest-free loans, to debt write-down and different management of debt, and to grants, but that is not coming from Government. Is it the Department of Business, Enterprise and Innovation that champions that on behalf of the businesses concerned? ISME told us it was very disappointed with some officials and the Government in regard to the response to what is an emergency and the requirement, not just for immediate answers, but for financial support and direction.

Dr. Orlaigh Quinn: From our perspective, we have certainly made our concerns and the business concerns known to the Department of Finance. It is our remit to make sure those concerns are conveyed and we have done that on several occasions.

Deputy John McGuinness: Will Dr. Quinn tell me if the local enterprise offices are funded significantly enough to deal with all of the schemes under their remit? There are some issues in regard to the new restart grant scheme which have been brought to my attention by the chambers of commerce and, in particular, the chamber of commerce in Carlow has written to me. A number of other businesses have written to me in regard to the immediate problem, which I mentioned this morning, of dealing with seasonal stock and having to park that stock, which, in some cases, is valued at €1 million, while trying to cater for the next season. I dealt with a company in Carlow which is dealing with the issue that the stock has to be turned around for the Christmas market at this early stage. Has Enterprise Ireland engaged with this type of company and what immediate supports are there for them?

Ms Julie Sinnamon: Enterprise Ireland has engaged over the past number of weeks with 2,000 companies and has had fairly significant conversations with them with a view to trying to work out what their funding needs are. This is one of the reasons we brought in the financial planning grant. For many of them, the first step was to work out what their needs were. So far, we have had 17 applications approved for the Sustaining Enterprise Fund, which, as part of that response, and having stabilised the business, is to help with the recovery phase. We have had 510 applications for the financial planning grant. We are working actively with 100 of those to put together applications for support under the Sustaining Enterprise Fund.

That is the level of demand we would have expected at this stage because we know companies are putting together their plans. Over the next few weeks, we would expect that the bulk of those 500-plus applications for financial planning grants will transpire into Sustaining Enterprise Fund funding. That, effectively, allows us to put up to €800,000 into companies to support their liquidity issues. For some of the smaller companies, we have a fast-track system, which allows them to get up to €50,000. That is manufacturing and internationally traded companies. EI clients and some of the domestically focused companies are very actively engaged with us to help them in that regard.

Deputy John McGuinness: As my time is up, I want to put two things on the record. First, much more needs to be done with micro businesses throughout the country to deal with their needs today and tomorrow. Second, the Department needs to engage with the Department of Health on the mental health issues arising from Covid-19. Businesses are having huge difficulty, and employees are having difficulty, in this area and there has to be a specific response to support those affected.

Acting Chairman (Deputy David Cullinane): Next is Teachta Imelda Munster and she has five minutes.

Deputy Imelda Munster: I will commence by asking about the restart grants. It is fair to say that it is bad enough that they are wholly inadequate and the value is tuppence ha'penny in comparison with what governments in other jurisdictions have given as restart grants. Is it true that the Department has not yet released funding to local authorities in order for them to issue payments for the restart grants?

Mr. Declan Hughes: The money is currently being processed. It arrived with Enterprise Ireland on Friday last, having been sanctioned the previous week by the Department of Public Expenditure and Reform. It is going through the banking system, so it should be with the local authorities in the next day or two.

Deputy Imelda Munster: It is true. I contacted a local authority yesterday and asked how many applications had been received. The local authority confirmed that there had been more than 600 applications but it was unable to issue payment for the grants because it was still waiting on the Department to sanction them. As Deputy McGuinness mentioned, it is as if the Department here does not get the sense of urgency. Thousands of businesses opened last Monday and the restart grant was announced weeks ago. Surely to goodness, the Department would have ensured that when the applications opened that local authorities would have had funding in place given the pressures that businesses are under due to restarting costs such as the adequate provision of PPE, cleaning, etc. Is not having the funding in place an example of mismanagement or being out of touch with the real pressures experienced by businesses?

Mr. Declan Hughes: Absolutely, Deputy. The application process opened, we had the on-line form up within a matter of days and we encouraged businesses to apply. The money was transferred to Enterprise Ireland by central section and that is now being transferred to the local authorities based on a schedule that was agreed with them. They all know what money they are getting and will be in a position to issue those cheques in the coming days. It is all being done by electronic transfer. It is probably one of the quickest schemes to be put in place across the public sector.

Deputy Imelda Munster: It is clearly not quick enough for the businesses. They are in dire need of it. Local authorities have received volumes of applications yet the funding was not released to them in order for them to issue payments, which is disappointing.

Mr. Declan Hughes: In fairness, we have moved. The local authorities-----

Deputy Imelda Munster: Several of my constituents have contacted me about returning to work, particularly in the past week. It appears they are being put under enormous pressure by their employers to return. I am talking about particular workers who might have an underlying medical condition and, therefore, it is unsafe for them to return to work. I am also talking about people who have absolutely no childcare options. In many cases people have been told that if they do not return to work they will lose their jobs.

I have a letter issued by an employer to staff in the past week. The letter states that staff who feel unavailable to return to work must provide their manager with a certified sick note or a written reason a return to work is not possible and that if a sick note is not in place, it will have no alternative but to mark staff as absent which will end in a termination of contract. It is clear that a direct consequence of the Government not acting on the childcare issue is causing

massive problems for people. Businesses are making these demands of their employees. Many of these workers cannot return to work for the reasons I have outlined and it is no fault of their own. What action has the Department taken to ensure workers are not being treated in this way or are not being threatened with termination of contract, so as to ensure job losses are not multiplied tenfold because of a direct consequence of Government action with regard to childcare?

Dr. Orlaigh Quinn: A lot of the answers are in the Return to Work Safely Protocol, in which the Health and Safety Authority has set out the requirements for the employer and the employee. It asks employers to have regard to people's particular circumstances. I cannot comment on childcare because it is not within my area but obviously I hear the Deputy's concerns and I share them. It is an issue for people. Certainly, health and safety in terms of a return to work have been dealt with in the protocol.

Deputy Imelda Munster: Surely just asking employers to have regard to people's particular circumstances is not sufficient if this is an example in the first week of what is being sent out to workers. In other words, if they cannot produce a sick certificate on medical grounds, their contracts will be terminated. Surely more could be done to ensure people do not lose their jobs because of a situation that is out of their control.

Dr. Orlaigh Quinn: We have guidance under the Workplace Relations Commission on how employees are dealt with. We have all of the employment legislation in place. Certainly, if employees have concerns, the help desk is open and I suggest that they contact the Workplace Relations Commission, which can give them advice.

Deputy Imelda Munster: As it stands, if a person with a contract is being put under enormous pressure to return to work but has absolutely no childcare options available, does the employer or business have the right to terminate that person's contract?

Dr. Orlaigh Quinn: People would have to seek advice. I am not an employment adviser.

Deputy Imelda Munster: From the Department's perspective.

Dr. Orlaigh Quinn: From the Department's perspective our agency, the Workplace Relations Commission, is fully available to advise employees who have a difficulty in the workplace, and I suggest they use it.

Deputy Imelda Munster: That is not very comforting. I thank Dr. Quinn.

Deputy Mary Butler: I welcome the witnesses and thank them for coming before the committee and for their briefing documents. We have unprecedented unemployment at present as a result of the pandemic. Yesterday, I was dismayed to hear that 51% of those aged under 25 are reported to be unemployed as a result of the pandemic. There is a great opportunity here to explore the necessary skills the country will require, and apprenticeships can play a huge role. Apprenticeships are now attractive as they give an opportunity to people to earn as they learn. We have seen in recent years that apprenticeships have been extended to many sectors. Does the Department see an opportunity? Last year, we had 15,000 apprenticeships throughout the country. I was the Chairman of the Oireachtas Joint Committee on Business, Enterprise and Innovation, which heard from many apprentices and the opportunities that arose from those apprenticeships. I see a great opportunity now to support female participation in particular. Does Dr. Quinn agree?

Dr. Orlaigh Quinn: I thank the Deputy and I would agree. What she has set out is much of

the work that we want to progress. I will ask my colleague, Mr. Hegarty, who is on the National Skills Council, to comment on the particular aspects.

Mr. David Hegarty: I thank Deputy Butler, who is absolutely correct that young people have been hit by the unemployment resulting from the pandemic crisis. We see opportunities in the area of apprenticeships, particularly in non-traditional areas for apprenticeships, such as ICT skills, which is definitely an area that has potential. Certainly for our part we have worked with the Department of Education and Skills through fora such as the National Skills Council to encourage the Department and SOLAS to promote these apprenticeships in non-traditional areas. These can appeal to female participants as well as to male. It is something on which we will continue to work with the Department of Education and Skills.

Deputy Mary Butler: There are huge opportunities off the back of the pandemic to encourage people to earn as they learn. They might not find a pathway into work quite readily but there are great opportunities with apprenticeships. Sometimes I worry about whether enough of an emphasis has been put on apprenticeships in transition year and in secondary schools. This was something we came across in the work of the Committee on Business, Enterprise and Innovation in the Thirty-second Dáil, but that is for another day. I wanted to highlight that matter again today because there are great opportunities there.

I apologise if this matter has been raised already but the format of the committee means we cannot spend all of our day here in the Chamber because of the restrictions that are in place. As businesses go back to work, certainty is needed. We heard a lot from IBEC and ISME earlier about clarity. Clarity on a 2 m limit as opposed to a 1 m limit for social distancing will have a huge impact on many businesses in the hospitality and childcare sectors. I understand this decision will be taken by the Cabinet under advice from NPHE but I was concerned yesterday to read in the *Irish Independent* that research by Fáilte Ireland projected that nine out of ten restaurants will not reopen if the 2 m limit remains in place. It estimated, however, that if this was cut to 1 m, about two-thirds of restaurants would reopen. There are 72,000 people working in this sector, but if the 2 m limit remains in place, only about one tenth of them will go back to work. If the limit was reduced to 1 m, however, it is estimated that employment in the sector would rise to 47,000 again. Tourism in this country could be shaped for years to come depending on what decisions are taken. What interaction has the Department had on this with NPHE or with the other Departments? The World Health Organization will be presenting to the committee on Thursday morning and I know this decision is more or less outside of the Department's control, but I want to emphasise how important it is for the hospitality industry and the childcare sector. It will make a huge difference to how these businesses go back to work. I am calling for clarity on this. If it is 2 m, we need to know that and if it is 1 m, we need to know that so they can move forward.

Dr. Orlaigh Quinn: Part of the work we do is to advise the Government on the reopening phases. In our last report on the economic impacts, we cited the issue of a 2 m limit versus a 1 m limit. We have in our report some of the data from Bord Fáilte that the Deputy pointed to, so we have put that out there. It is an area we are looking at. It is in the return to work protocol that businesses that cannot maintain a 2 m limit, such as some manufacturing businesses, can put in Perspex and they are not confined to the 2 m limit. We have made that clear in the return to work protocol. We are conscious that it is an issue from a business perspective and we are feeding into the Government centrally on that. The Government will take a decision in due course and we are guided by public health advice on that as well.

Acting Chairman (Deputy David Cullinane): I call an Teachta Carthy, who has five min-

utes. An Teachta Carthy will be the first speaker in this session to keep to time.

Deputy Matt Carthy: I love the Cathaoirleach Gníomhach's optimism. I welcome this opportunity and I thank our speakers for being here. I have a general question for Dr. Quinn to start with. What does the Department of Business, Enterprise and Innovation do when it learns of the potential loss of a large number of jobs? If there are reports that a factory may be closing, for example, what interventions does the Department make in those instances?

Dr. Orlaigh Quinn: First, we have a protocol in place such that we work with colleagues in the Department of Employment Affairs and Social Protection and with our agencies, be it Enterprise Ireland or IDA Ireland, depending on where the jobs are. We then meet and we assess the possible impact on the region, we look at the job availability within that region, we look at other potential jobs, and the Department of Employment Affairs and Social Protection, in particular, through the Intreo offices, leads a move to go into the workplace or factory to provide that type of information to the workforce involved. It is a hands-on and immediate response when we are informed, and we work collectively.

Deputy Matt Carthy: I was afraid Dr. Quinn would give an answer like that. Clearly, we could now see quite a number of companies close as a result of Covid-19. In fact, Covid-19 was cited by the Henderson Group, which announced the closure of plants in County Meath and Glaslough, in my constituency. The Glaslough plant employs 48. I noted that the Minister's response was very similar to what Dr. Quinn has just said, essentially that the Department will set up meetings with the employees and the Intreo office. In other words, the Department will help them get social welfare. There seems to be no initiative on the part of the Department to ascertain whether there is anything it can do to save the jobs and the businesses in the first instance. Is that a fair reflection?

Dr. Orlaigh Quinn: No, it is not, because that is the first thing we would do. We have an early warning system, we meet the management of the company, we see what is possible and we see if there are supports they need. We do that type of analysis. As I said, it is not just meetings. We monitor every Wednesday across Government where the problems are. I take the Deputy's point about the scale we could face, but it should be remembered we went through this in 2010 when we brought in the Action Plan for Jobs. We have a lot of experience, as does the Department of Employment Affairs and Social Protection in particular.

Deputy Matt Carthy: With respect, from 2010 onwards, particularly as we started moving to the position where jobs were being created, I agree that Dr. Quinn's Department always had, and still has, an incredibly high profile when new jobs were being announced. The Minister is out in front and there are big press statements. It does not appear that the same profile is adopted when jobs are at risk. I understand from speaking to people involved in the situation I mentioned in Glaslough that some approaches had been made to Government prior to the announcement. The actual closure is not until towards the end of July, I understand, so there is scope there. What concerns me is that the Minister's response was essentially what Dr. Quinn outlined would be the general case, getting workers in touch with the Intreo office about their entitlements under social welfare and setting up other meetings, including with the Money Advice & Budgeting Service, MABS, I understand. Helping them to restructure their mortgages is, I suppose, what would be required in those instances. There is no reference at all, however, to any efforts on the part of the Department to go in and save jobs. As we approach a period when we may see lots of other companies citing Covid-19 as a reason for closure or restructuring, does Dr. Quinn agree that perhaps now is the time to adopt that more proactive response to these types of announcements?

Dr. Orlaigh Quinn: We do that. The Deputy may not hear about it but we certainly have a very proactive response. I could cite company names where we have been in there but we tend to do so in a low-key fashion. We are certainly doing it, though, and if there are companies-----

Deputy Matt Carthy: Could Dr. Quinn give an example of that approach? Looking in this instance at my constituency, where potentially anything up to 48 families - certainly 36 families, we understand - will be devastated by the loss of an income and a very important employer, what types of interventions are being made with the company to ascertain whether measures can be put in place to save those jobs?

Dr. Orlaigh Quinn: Perhaps that is a discussion the Deputy and I could have offline as it relates to a specific company and what we are doing and how we can support it. That is what we are here for - to help and support companies to keep jobs in this country. We are available and open to anything we can do.

Deputy Matt Carthy: I would welcome that opportunity to discuss this because we have not seen the evidence as of yet.

Acting Chairman (Deputy David Cullinane): I wish to put a number of questions to Dr. Quinn and perhaps to seek some follow-up information based on some of the contributions made by Members. I thank Dr. Quinn and Ms Sinnamon for their time and for answering the questions that were answered.

I will first ask a question about the loan scheme. In response to, I think, Teachta Doherty, Dr. Quinn said of the Microfinance Ireland loan scheme that the first six months was interest-free and it came down from 7.8% to 4.5% and would balance out then at about 3% over the course of a year. Is that correct?

Dr. Orlaigh Quinn: Three years.

Acting Chairman (Deputy David Cullinane): Dr. Quinn said it is a matter of Government policy, so the Government decides all these measures. However, given that there has been a call from a number of the business organisations for 0% loans, and given that 0% loans are in place in other European countries, did her Department make any recommendation to Government in that regard? Obviously, Governments make decisions, but did the Department make any recommendations to the Minister on 0% loans given how cheaply it is possible to borrow money?

Dr. Orlaigh Quinn: We are continually looking at interest rates. It is on our radar. We would look at it in the round. We look at it in terms of the amount of money and how far out we can spread it. The lower the interest rate goes, the fewer supports are available.

Acting Chairman (Deputy David Cullinane): The question I asked specifically was whether Department officials, at any level or even at the highest level, give any advice to Government or make any recommendations to Government on 0% interest loans?

Mr. Declan Hughes: It is something that is always on the agenda in terms of the financing options as they are presented. When it comes to Strategic Banking Corporation of Ireland loans and how we work with the banks we are constantly trying to get the loans down. With the future growth loan scheme we got down to 3.5% for anything over €250,000. As was stated politically by the Minister for Finance, Deputy Donohoe, and the Minister for Business, Enterprise and Innovation, Deputy Humphreys, this is a key objective of the credit guarantee scheme. The State is stepping in to provide the guarantee and is trying to reduce the interest rate absolutely.

Acting Chairman (Deputy David Cullinane): We know all of that, Mr. Hughes, if I may interrupt. We know these things are always examined and re-examined. My question was specifically whether the Department made a recommendation to the Government or the Minister in respect of 0% interest-free loans. It is either “Yes” or “No”. Department officials advise Government as well. I assume officials are in discussions and talking to business organisations and their representative groups on an ongoing basis. My question was a fair and straightforward one. Did the Department make any recommendation in respect of 0% loans to Government?

Mr. Declan Hughes: We set out the options, as I have already said, in respect of the costings and the options and the alternatives of those.

Acting Chairman (Deputy David Cullinane): I will take that as a “Yes”.

I want to ask Dr. Quinn about the Return to Work Safely Protocol. Can we get written replies to these questions over the course of the coming days? I know it is a matter for the Health and Safety Authority. I know you responded on this point earlier, Dr. Quinn. Can you outline again exactly how many inspectors do we hope the Health and Safety Authority will have? I think Dr. Quinn said approximately 500. What are the numbers? Where are they coming from? Precisely when will they be in place doing their job? I gather Dr. Quinn said 250 would come from the Department of Agriculture, Food and the Marine. Can she put those figures on the record? Will she furnish the committee with the number of inspections that have been carried out by the HSA since Covid-19 has come into play?

Another question was asked in respect of compliance notices. Again, can we have the up-to-date information on that? How many were enforced or put in place or otherwise? A number of questions were asked of HSA officials before the committee in respect of meat factories. It is a particular problem because of clusters in some meat factories. Precisely when were complaints made to the HSA by employees or others in respect of what was happening in meat factories? When did those complaints come in? What action was taken? It would seem that no inspections were carried out. I know there is a good deal in that but can Dr. Quinn furnish the committee with a note on these?

Dr. Orlaigh Quinn: We can certainly do that. The Health and Safety Authority gave the committee an up-to-date submission on Friday. I can certainly revisit that in the light of today and ensure that all the information the committee has requested is available to it.

Acting Chairman (Deputy David Cullinane): I have one final question although I am unsure whether it is for the Department. I am receiving calls from employees of businesses who are on the wage subsidy scheme. They say they are in receipt of either 70% or 85% of the subsidy but they are being asked to work full-time hours. In other words, they are still working full-time hours but only getting 70% or 85% of their pay. Is that allowable? I imagine there are contractual issues here. This issue is coming up. If the Department officials were in a position to provide clarity on that issue, it would be helpful.

Dr. Orlaigh Quinn: Maybe I will come back to the Deputy on that. My understanding is that if there is any change in an employee’s contract in terms of salary, it is for negotiation between the employer and employees. The wage subsidy scheme, as the Deputy said, only goes up to 85% so there has to be agreement after that. Again, the WRC is available to people if they have concerns or complaints about their employment.

Acting Chairman (Deputy David Cullinane): We are finished this session now. I thank

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our witnesses for their time today and for their answers. We look forward to receiving follow-up responses and documentation from them. I thank them for their attendance and for the information they have provided.

Is it is agreed to request the clerk to the committee to seek any follow-up information and carry out any agreed actions arising from the meeting today? Agreed.

The committee adjourned at 6.30 p.m. until 9.30 a.m. on Thursday, 11 June 2020.