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Chuaigh an Cathaoirleach i gceannas ar 2.30 p.m.

Paidir.

Prayer.

Business of Seanad

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

The need for the Minister for Education and Skills to provide funding for a shuttle bus service for Finn Valley college, County Donegal.

I have also received notice from Senator Averil Power of the following matter:

The need for the Minister for Health to ensure the Lois Bridges Eating Disorders Treatment Centre in Sutton is fully utilised by the HSE and appropriate private health providers given the urgent need for improved services for people suffering from eating disorders.

I have also received notice from Senator Paul Bradford of the following matter:

The need for the Minister for Agriculture, Fisheries and Food to outline his proposals to secure the long-term financial viability of farmers and farm families with small landholdings.

I have also received notice from Senator Jillian van Turnhout of the following matter:

The need for the Minister for Social Protection to address inappropriate advertisements for JobBridge placements by immediately acting to ensure guidance for employers is in place that mentoring and training for employees are essential components of any placements.

[An Cathaoirleach.]

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

Order of Business.

Senator Maurice Cummins: I welcome everybody back. The Order of Business is No. 1, statements on innovation at the heart of the jobs challenge, to be taken at 4 p.m. and to conclude at 6 p.m., with the contributions of spokespersons not to exceed eight minutes, following which questions from other Senators to the Minister for Jobs, Enterprise and Innovation will be taken in turn. I hope as many Senators as possible will have an opportunity to put questions to the Minister this afternoon. I ask Senators not to preface their questions with statements during the questions and answers part of the debate. The fairest way of ensuring we have a broad-ranging high-level policy discussion with the Minister is to pose clear and direct questions. I am sure everybody in the House shares this objective. I do not want the same people to hog the debate and the questions. I hope all Senators will have had an opportunity to ask questions before anyone comes in for a second time. We are still trying to arrive at the best possible formula for these question and answer sessions. I hope we will receive the full co-operation of Members in this regard.

Senator Darragh O'Brien: I am pleased to be back. I look forward to the upcoming session. In the last session the Seanad made a great deal of progress in terms of how it does its business. I commend the Leader of the House, the leaders of the other groups and all Members on that. I hope this afternoon's question and answer session will be fruitful. Many valid questions will be asked. We will see what the answers will be like. I raised a specific issue with the Leader on a number of occasions during the debate on the Finance (No. 2) Bill 2011, which brought the jobs initiative into force, in effect. The initiative was paid for by means of the imposition of a levy on the private pension funds of people who saved for their retirement, as they were told to do by successive Governments. The current Government has seen fit to take €1.8 billion from such people to pay for its jobs initiative. The number of jobs created under the initiative will not be monitored. I am dubious about whether the VAT decreases provided for in the initiative have been passed on to consumers.

Earlier this afternoon, our leader met annuitants from Tara Mines who receive an average pension of €10,000 per annum, which is substantially less than most public service pensions. These people have been notified by the scheme trustees that their pensions will be reduced from €10,000 to €9,000 per annum because the scheme is under-funded and unable to pay the pensions levy introduced by the Government. I raised another pension scheme — the retired airline workers scheme, which has 15,000 members — in the House previously. This scheme is under-funded, like 80% of Irish pension schemes, and will simply not be able to pay the pension levy. The only way it would be able to do so would be if it were to reduce the benefits to be paid to its annuitants. The incomes of those who are outside Leinster House today have been cut by 10% to pay for VAT decreases from which many of this country's major newspapers will benefit. The question of whether this measure will create a single job is not being monitored. Certainly, this side of the House will be questioning the Minister, Deputy Bruton, who I am glad is coming in, vigorously about how we can bring in a jobs initiative, which was previously to be a jobs budget, and then not track whether it is achieving results. I can tell the House those in the Tara Mines and aviation pension schemes know well the impact of this jobs initiative because their pensions have been cut by 10%.

On the three year fiscal plan, I welcome the fact that the Government has decided to publish a plan to show people where there will be tax increases and expenditure cuts to try to give

them some degree of certainty as to what is coming down the track. I assume and ask that this would be debated in this House.

Does the commitment still stand that the Government will not raise income taxes and not cut social welfare in the forthcoming budget? Over recent weeks, the Taoiseach and Tánaiste seem to have rowed back quite a degree on their pronouncements of the 100 days in Government. Can the Leader tell me today that the Government remains committed to no income tax increases and no social welfare cuts in the forthcoming budget?

It is the first day back and we are not too restricted by time.

An Cathaoirleach: It is the same as before.

Senator Darragh O'Brien: I will be quick. Many Members have asked when the Minister for Health will come to the House. The Minister for Health came here once to take legislation that had cross-party support, an important Bill on female genital mutilation. We have not had a proper questions and answers debate with the Minister on the health services. It was interesting to note that the day figures were published showing the largest number of citizens on trolleys ever in the history of the State, the Minister was not even in the country to deal with that. I want him to come in to this House to answer questions on that.

Senator Ivana Bacik: I join others in welcoming colleagues back. I hope that everyone has had a break over the summer and is ready for the busy and challenging term that lies ahead in which we all hope the Seanad will play a productive and valuable role and in which we will see further progress with the procedural reforms we have begun to make. The Leader referred to the format today for questions and answers with the Minister, Deputy Bruton, which I think we found to be a more valuable way of interacting with Ministers in this House when we had the Minister, Deputy Coveney, in previously. We also need to bring forward the reforms on public consultation and on inviting speakers, with which I know we will proceed.

We all look forward to the debates we will have today on jobs and innovation, tomorrow on transport, next week on the arts, and also on the important legislation, some of which carries a good deal of urgency, particularly the legislation on the referenda on judicial pay and on committee powers. In the context of the job creation debate, given the events of recent weeks, it is worth expressing sympathy with the workers in TalkTalk in Waterford at the closure of the plant and the manner in which it was announced, an issue which Senator Landy and others will raise this afternoon in the House.

Another momentous event that happened over the break was the tenth anniversary of 9/11. It would be useful to have a debate in this House at a future date, either with the Tánaiste or an invited international speaker, on the legacy of 9/11, on the international movement for democracy that we have seen develop this year and which has been called the Arab Spring, and on what we in this House and in this country can do to support those movements for democracy that are fighting so hard in Libya, Syria, Bahrain and other places and that are being suppressed brutally in some of those places. That would be a valuable way to honour the legacy of the many who died in 9/11.

Senator Katherine Zappone: It is good to be back, and with all colleagues. The words “equality” and “human rights” — three of my favourite words — were put together with the word “merger” at the end of last week when the Government announced it had agreed in principle to merge the Irish Human Rights Commission with the Equality Authority into a new human rights and equality commission. The press release indicated: “The purpose of this change is to promote human rights and equality issues in a more effective, efficient and cohesive way.” “Effective”, “efficient” and “cohesive” are powerful words too. While it may be the case that

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issues related to efficiency and cost were integral — central, in fact — to the Government's motivation for this far-reaching change in institutional, legal and practical infrastructure for equality and human rights, if this new body proves to be more effective and cohesive in the way it does its business, this can only be welcomed by the people who stand for freedom, fairness and dignity. Will this not be the ongoing test? As a result of this merger, will Ireland be better at ensuring equality, eradicating discrimination and promoting and protecting the human rights of all who reside here, especially those who are not free, those who are vulnerable and not equal? Now more than ever before in the context of the very vulnerable Irish economy and society, we need to get it right in terms of how equality and human rights are delivered side by side. As law-makers, we need to think carefully how we can bring these two institutions together in a substantive way in order that the new institutional arrangements will not be made at the expense of human rights and equality obligations.

Some of the key questions that need to be raised include what form of equality we want and whether income equality is part of this agenda. How will we ensure this new body complies with the Paris Principles, specifically that it will be genuinely independent and the pluralism of its membership will be ensured? The Irish Human Rights Commission holds “A” status. This is a critical badge, indicating that the United Nations and the international community view it as truly independent of the Government. Will the new commission be able to wear the same badge? The Minister has promised that it will have a direct reporting function to the Oireachtas through its committee system. While this release of Government control towards oversight by the Oireachtas is greatly to be welcomed, will it require the amending of the name of a committee to incorporate changes in respect of human rights? The Good Friday Agreement promises that the Government will establish a human rights commission with a mandate and a remit equivalent to that within Northern Ireland. As we put in place these new institutional arrangements, will we maintain equivalence in respect of human rights protection? I ask the Leader to invite the Minister for Justice and Equality to the House early in the drafting of this legislation on the new commission to give Members the opportunity to raise questions and offer our views.

Senator Rónán Mullen: It appears the European Commission never takes with one hand without giving with the other. I am sure Members were astounded by the bizarre comments of the German Energy Commissioner, Mr. Günther Oettinger, when he suggested flags should be flown at half mast in bailout programme countries, as if this might in some way deter countries from getting into debt or letting their debts get out of control. To be fair, it seems Mr. Oettinger is already back-peddalling furiously.

It is probably more appropriate for us to note that the European Commission is starting to talk about introducing options on eurobonds and that the Commission President, Mr. José Manuel Barroso, has been making the right noises in this regard. Of course, we should also note the good news for Ireland in the reduction of the interest rate and the extension of the maturity period of our loans under the European Financial Stabilisation Mechanism. This is the direction in which things have to move if the European Union is serious about helping countries with debt problems to tackle the crisis they face. While Nicolas Sarkozy and François Fillon say they are going to do everything to save Greece, it is increasingly clear that the powerful countries at the heart of the European Union need to do something more than talk. They need to show themselves capable of taking co-ordinated and speedy action and implementing the serious measures necessary to maintain confidence in the ability of European countries facing a debt crisis to meet the challenge.

I note the reforms introduced in the Dáil to facilitate debates on topical issues, which are to be welcomed. It appears our colleagues in the Dáil will be able to enjoy the privilege we have enjoyed of being able to raise topical issues from time to time. I have long thought that a reform we should try to achieve in the Seanad concerns our ability to put parliamentary questions directly. We are not well served by the current Adjournment debate procedure at the end of each day's proceedings. I often had pertinent questions to ask which simply did not fit what was available to Members in Adjournment debates. It seems that while the Constitution provides clearly that the Government is accountable specifically to the Dáil and that this is the rationale for accepting parliamentary questions in that House, the Seanad would function better if its Members had a more direct opportunity to put questions to the Government. Some consideration should be given to this possibility.

I welcome Senator Bacik's comments on——

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

Senator Rónán Mullen: In respect of the proposed debate on the Arab Spring, Members should not simply note it in passing. They should have a debate on developments in the Arab world and the consequences thereof. While they welcome movement towards democracy in Arab countries, they must also begin to ask questions about what might happen to minorities which are vulnerable to persecution. There is a particular crisis regarding the persecution of Christians in different parts of the world which has the potential to become a more severe crisis as a downside of the good news of democratisation in Arab countries. The western world has been too hesitant in talking about this problem, and in their debate on emerging democracies in the Arab world, Members should also discuss what can be done to protect minorities. I refer specifically but not exclusively to Christian minorities in these countries.

Senator Pat O'Neill: As previous speakers have noted, everyone is welcome back and I look forward to this session.

The Leader should ask the Minister for Transport to clarify the stock of salt in the State for the winter season and how much of it has been distributed to the local authorities. Last year, although the National Roads Authority indicated there was a certain stock of salt in the State, it transpired that it was not in the country but had been ordered. As a consequence, the country nearly came to a standstill. If one is to believe it, another hard and cold winter has been forecast. As a consequence it will be important to have our preparations made for it. In this regard, it is also relevant to ask the Minister for the Environment, Community and Local Government to clarify the attitudes of certain local authorities towards voluntary groups which provided assistance in certain areas last winter. Some local authorities allowed members of the IFA and community groups to help in gritting roads and so on, whereas others refused on the grounds that they might not have been covered by insurance and similar issues. The Minister for the Environment, Community and Local Government should clarify whether local voluntary groups would be allowed to help local authorities were we to experience another hard winter.

Senator Terry Leyden: I propose an amendment to the Order of Business that the Minister for Health, Deputy Reilly, come to the House to explain his pre-election commitment on the retention of accident and emergency services at Roscommon County Hospital which have now been closed and to give a report to the House on the issues involved. This matter will not go away and will be neither forgiven nor forgotten as the people of County Roscommon have been badly let down. Commitments in writing were given by the Minister in advance of the general election and confirmed by the Taoiseach in The Square in Roscommon town before

[Senator Terry Leyden.]

the election. The people of Roscommon-South Leitrim were conned, as they voted for two Fine Gael candidates, only one of whom remains in that party. The other resigned from the party and is now an Independent Member of Dáil Éireann because he could not live with the fact that he had been betrayed and, more importantly, the people of Roscommon had been betrayed by the commitments given by the Minister. If the Minister is able to visit China on a mission in the company of his private secretary, a councillor from north County Dublin and his wife——

An Cathaoirleach: That is not relevant to the Order of Business.

Senator Terry Leyden: I am unsure whether he was studying Chinese medicine, which may come into force——

An Cathaoirleach: This is not relevant to the Order of Business.

Senator Terry Leyden: ——and which may be an alternative to the——

An Cathaoirleach: This is a point the Senator can make to the Minister when he comes to the House.

Senator Terry Leyden: I hope he will so do. Is the Cathaoirleach giving me a commitment that he will ensure——

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

Senator Terry Leyden: I have proposed an amendment to the Order of Business and I am explaining the reasons for it. If the Minister was able to visit China, why was he not able to come to this House to explain to the electorate the commitments he had given before the general election? I note members of the Fine Gael Party in County Roscommon will meet party officials next Monday night and are considering mass resignations from the party over this issue. I do not blame them; they are absolutely right. They have also said that it will be very difficult, nearly impossible——

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

Senator Terry Leyden: ——to canvass with Gay Mitchell for the presidential election. In fact, the Roscommon hospital action committee will accompany the candidate all over Roscommon with placards saying, “You lied, you betrayed, you let us down.” It will be a very——

An Cathaoirleach: Do you have a question for the Leader?

Senator Terry Leyden: I am making the point——

An Cathaoirleach: You are out of time, Senator.

Senator Terry Leyden: Is there a time factor?

An Cathaoirleach: Yes, there is.

Senator Terry Leyden: It is regrettable that this issue is coming into the presidential election and that the Labour Party and Fine Gael candidates will find themselves very unwelcome in Roscommon. West of the Shannon will be a very unhappy place for them. Under the circumstances, Gay Mitchell——

A Senator: Where is the Fianna Fáil candidate?

(Interruptions).

An Cathaoirleach: You are out of time, Senator.

Senator Terry Leyden: —who I have great time for as a person and with whom I have served in this House and in the Dáil—

An Cathaoirleach: I am calling Senator Moran.

(Interruptions).

Senator Terry Leyden: I am asking for an amendment to the Order of Business which I hope Members of the House will support, namely, that the Minister comes into the House to explain his actions.

Senator Mary Moran: I too would like to welcome my colleagues back to the House and wish everyone well for the forthcoming term. It is worth noting how serious the current Government is and that we have come back two weeks earlier than normal. We are also forgoing our mid-term break and working much closer to Christmas than the previous Government insisted on. It highlights how serious we are.

Senator Thomas Byrne: It is the same as last year.

Senator Mary Moran: I congratulate the 56,930 junior certificate students who received their results today. As a mother and former teacher I understand the anxiety felt by the students and parents in anticipation of the results. It is great to see more students taking project maths, the schools which have piloted it at higher level, more students obtaining honours at higher level in it and the overall increase in students taking higher level subjects.

I draw attention, however, to recent research which has shown that the average under-age drinking age in this country has decreased from 16 years of age ten years ago to the frightening age of 14 in recent times. Given that students will be celebrating over the next couple of days, it is very important that we highlight the dangers of teenage drinking. I ask the Leader to ask the Minister to come to the House and have a debate on teenage drinking.

I would also like to raise another issue related to a frightening article in yesterday's *Irish Independent*. The acute emergency services in Louth hospital were transferred to Our Lady of Lourdes Hospital, which is a centre of excellence.

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

Senator Mary Moran: I do. In the *Irish Independent* yesterday the worst hospital in the country for waiting times was highlighted as being Our Lady of Lourdes. I ask the leader to ask the Minister for Health, Deputy Reilly, to come to the House to debate the lack of services throughout accident and emergency departments in the country.

Senator Terry Leyden: Will the Senator second my amendment to the Order of Business?

An Cathaoirleach: Senator Norris, without interruption, please.

Senator David Norris: Like my colleagues I am very glad to be back and I look forward to our serious work. I was struck by the analytical way in which Senator Zappone approached what is perhaps a problematic area, namely, the amalgamation of certain organisations which

[Senator David Norris.]

have done very good service. She may well have support from the Government side because I remember these issues were raised when the Equality Authority was downgraded in financial terms, the Combat Poverty Agency was abolished and the Irish Human Rights Commission suffered severe cuts. Both parties in the current Government were very good on those debates. She may well find, particularly because of the considered way in which she analysed the situation, that there will be a sympathetic ear in Government.

There are economic issues and it is important to start on a positive and constructive note. I was very glad to hear the Minister say that this year there will be no cutting off of gas or electricity because people cannot pay. That is a basic standard. It happened last year and I was ashamed it was allowed to happen. Thank God it will not be allowed to happen this year. Other things are not so positive.

I was very sorry to see that four Irish Travellers were charged — they have not been convicted and are before the courts at the moment — with slavery in an island next door where I thought slavery had been abolished as a result of the work of William Wilberforce. They are only in this situation because there has been in a change introduced in the British Coroners and Justice Act 2009, whereby people can face 14 years' imprisonment for holding someone in slavery or servitude with similar lengthy sentences for forced labour. Unfortunately, I understand that no such change has ever been made in Irish law. I was waiting for a case to occur. One of today's newspapers reports that this has occurred, I believe in a suburb of Dublin in a fast food shop. On that basis I ask the Leader to find out——

3 o'clock

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

Senator David Norris: Yes, this is my question. Will the Leader take this to Government and ask if plans can be made to introduce something similar to section 71 of the British Coroners and Justice Act 2009? It should be a comparatively simple matter. It would be utterly shameful if we find there are conditions of slavery — we know of people, particularly illegal immigrants and others from foreign countries who are really vulnerable and appear already to have been held in difficult situations which might amount to slavery — but the people abusing them cannot be held to account because of a defect in legislation. This House could lead the move to amend that.

Senator Imelda Henry: I wish to speak about the money advice and budgeting service, MABS. I acknowledge the great work it has done in the past and the importance of the work it is doing now in these difficult and challenging times. There are more than 50 offices throughout Ireland. I wish to raise in particular the lack of staff in the Sligo office to deal with the number of people looking for support, help and advice. Perhaps the Leader could invite the Minister for Social Protection, Deputy Burton, to come to the House to clarify the future of MABS and its structure. The programme for Government outlines plans to restructure MABS into a national debt agency. In the times we are in with the number of families who are struggling, it is important to get clarification and act on this as soon as possible.

Senator David Cullinane: Like previous speakers, I welcome everybody back. Much has happened over the course of the summer months, not least the fact that more than €17 billion of taxpayers' money was put into the banks a number of weeks ago. At the same time as that money was put into the banks, I am sure I am not the only public representative present who has received phone calls from constituents and people in the locality outlining the difficulty they were having in receiving payment of the back to school allowance. Even those in receipt of the payment found it inadequate in meeting the needs of sending their children to education.

I have also been contacted by young people who will not receive a grant and will be unable to do a third or fourth level course. I have previous experience of people who were very late in receiving their grants. In addition, there have been cuts in the areas of special needs and household benefits, all of which will impact on vulnerable people. All these have happened at a time when the Government took €17 billion of taxpayers' money to put into the banks.

A total of 575 jobs at TalkTalk in Waterford are now gone. I do not blame for the Government for those job losses; corporate greed is at the heart of that company's decision to let those workers go. Senator Bacik spoke about the disgraceful way in which those workers were treated by the company. Those workers and all those who have lost jobs want the Government to act and support them in their hour of need. That is why it is so important that the upcoming budget does not, for example, cut jobseeker's allowance and, instead, does something to help those workers pay their mortgages, with which they will have difficulty. Crucially, we must get those people back to work. The Government put in place a jobs initiative that has patently failed. We are losing jobs while creating very few new ones.

Senator Ivana Bacik: It has not failed. The intern scheme has been a success.

Senator David Cullinane: If Senator Bacik believes the jobs initiative is a success, God help the 460,000 people out of work. There will be a budget in December and I ask the Minister for Finance to come into the Chamber in the coming weeks and talk to us about what initiatives he will put in place to create jobs and help workers across the State who have lost their jobs.

Senator Cáit Keane: I ask the Minister for Education and Skills to define the term "professor". A couple of weeks ago, Trinity College decided with the stroke of a pen to call everyone lecturing in the college a professor. This will put other lecturers at a disadvantage when applying for jobs. How is "professor" defined? To do it with the stroke of a pen is not good enough. If there is to be standardisation in education, professorships should be awarded on merit, as they were of old, where a person had to have a certain number of papers published in the discipline or to hold a chair at the university before appointment. I would like the Minister for Education and Skills to examine this so we avoid a system like that in America where there are professors in institutes or even colleges. Our system should not allow for this in one college.

If this comes down to salaries, how will it be dealt with? There are many different types of professor, visiting, honorary, clinical and so on, but gradation should be clear to anyone applying for a job and to the students being taught by "professors" who are glorified lecturers. Trinity College had a position where to be a clinical professor, one must be the senior clinician with a consultant contract in a hospital tied to the university who has demonstrated commitment to research and scholarship in the form of publications appropriate to the discipline in which he is appointed professor. I would like to see the same criteria for every professor appointed to our national universities.

Senator Mark Daly: I support Senator Leyden's amendment to the Order of Business to ask the Minister for Health to come into the House. As Senator Leyden pointed out, he has only come in once so far, on an issue agreed by all parties. Members opposite have also asked for him to come into the House so we will see if they will support the call for the Minister to come before us.

I note the Deputy Leader's remarks about the Arab Spring. I hope the Labour Party and Deputy Gilmore, as Minister for Foreign Affairs and Trade, will support the UN resolution on recognition of the Palestinian state and that the flag of Palestine will fly outside the UN in New York as that of a full state.

[Senator Mark Daly.]

My colleague, Senator Rónán Mullen, has spoken about flags and the suggestion by the German Commissioner, Mr. Günther Oettinger, that we should fly our flag at half mast. As one walks around Dublin, there are many buildings where the EU flag is prominent, including on the GPO, but how friendly is that flag? I met the German Ambassador and a member of the Bundestag at a briefing of the Committee on Foreign Affairs and Trade during the summer and asked him to tell his colleagues in Germany that if they think any EU referendum would be passed in Ireland any time soon, they should realise it will not happen. The Irish people are not going to vote in favour of resolutions to centralise control by the Germans and French, considering how much money the Irish taxpayer is going to pay back to German and French banks. It would be an impossible sell on the doorsteps. To say we have shared sovereignty is a nice way to describe what has happened, but giving more power to the Germans and French would not be acceptable. They have not done a great job with the little power they have at present.

Today, the Minister for Youth Affairs launched a report by One in Four, whose director is Maeve Lewis. I thank Ms Lewis for her support of my speech in the House on the final day of the previous session regarding abuse in Carrignavar in County Cork.

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

Senator Mark Daly: I am seconding Senator Leyden's amendment to the Order of Business. I also thank Mr. Gordon Jeyes of the HSE, Mr. Ian Elliott of the National Board for Safeguarding Children in the Catholic Church and Detective Superintendent John McCann for their efforts in this regard. Garda investigations are ongoing and I ask anyone who has information to give it to the appropriate authorities. It is interesting to note that there have been 24 reports to the Garda on the matter.

An Cathaoirleach: The Senator is out of time.

Senator Mark Daly: I also note that a New York based group has reported the Vatican to the International Criminal Court with regard to these issues.

Senator Michael Comiskey: I, too, welcome my colleagues back for this new session. Many of us were disturbed to read in newspapers over the weekend that 99 top civil servants are receiving huge severance pay packages. I call on those civil servants to make substantial donations to a jobs fund. These severance packages are equivalent to what five or six ordinary people would earn in a year. This is not too much to ask at this time, when our country is in such dire circumstances.

Senator Feargal Quinn: My attention was drawn to the scandal of imported diesel and the problems it is creating for many people who are in the business of selling diesel. The estimated cost to the State of the contaminated, or washed, diesel is between €100 and €200 million. There are 35,000 litres in a tanker of diesel. The profit from a full tanker, bought legitimately, is approximately €1,500. However, the profit from a tanker of imported diesel, without VAT being paid on it, is approximately €16,000. This should be a huge concern for the State. It is certainly a huge concern for those who are in competition with this diesel anywhere in Ireland. The imported diesel is agricultural diesel that has had the dye washed out of it so that it looks like normal diesel.

I was delighted to see last week that the Garda had arrested four garage owners. I was pleased that attention was being drawn to the problem and that something was being done about it. However, my attention was then drawn to the fact that one garage owner, not one of

those arrested on this occasion, had been fined €3,500 and was instructed to close for 24 hours. Some garage owners who have been instructed to close for 24 hours are open again within 24 hours. The cost to the State is huge and the cost to individual garage owners who are trying to compete with this activity is such that it is making a mockery of legitimate trading in Ireland.

How does one solve the problem? I was interested to hear the Northern Ireland Minister talk this morning on the BBC about the difficulty this is creating north and south of the Border. He mentioned the removal of the dye by washing agricultural diesel. The answer would appear to be to allow farmers to buy normal diesel and make a subsequent claim for the amount they use for agricultural purposes. I am sure the problem is not easy to solve but this is certainly a better solution than the one being used at present.

I call on the Minister for Justice, Equality and Defence to have an investigation into this matter and to see how we should handle the problem. It is clearly a huge scandal, it is bringing the law into disrepute and it is a huge cost to the State.

Senator Martin Conway: I too was disturbed at the reports in recent days about Irish involvement in the slavery that has allegedly taken place across the water. I am very disturbed to think that Irish people were involved in that, given our history and given the way Irish people have been treated when they have gone abroad to work over the years, and the difficult terrain they had to go through to make a living. It is desperate. However, I was even more shocked to read about an Indian takeaway in Clondalkin paying somebody 51 cent an hour, for 77 hours a week, with one day off in the year. We have inspectors who go into restaurants to make sure that the toilets are clean, the floors are clean and that checklists are met. How could this have happened here?

I call on the Leader to ask the Minister for Justice, Equality and Defence and other relevant Ministers to set up some sort of inspectorate system to check out other such establishments across the country. They must make sure that this type of slavery, which everyone abhors, is not going on. It is appalling in 2011 to think that such behaviour could occur here. It should be rooted out. The Leader should bring this urgently to the attention of the Minister.

Senator Marc MacSharry: I agree with Senator Leyden in calling for an urgent debate on health. There are many issues that continue to afflict the health service, not least the budgetary restraints all over the country, the moratorium on staff recruitment, the relegation of the people of the north-west region to second class citizens in the context of the provision of services. A silent vigil will take place this evening to coincide with the visit of the Labour Party presidential candidate to Sligo. It will highlight that party's commitment to develop a centre of excellence for cancer care in the north west of Ireland at Sligo, and the fact that the party reneged on it very quickly with the mere defence that if it were the senior party in the Government, it would have done that, as if that were ever likely. It will also highlight the Fine Gael commitment that there would be a return of the services which were removed a few years ago, which was also reneged upon.

While I appreciate that the Minister has had recent trips to China and elsewhere, so far we have only had one visit to the House in the eight months of this Administration for very important legislation on female genital mutilation. I do not wish to undermine the importance of that legislation, but I would like to see similar respect for the plight of people from the north west, north of a line from Dublin to Galway and west of Mullingar, who seem to be under instruction from the HSE either to move closer or die, rather than have the services they require.

The last act of these Houses before the summer recess was to deny the people fairness and equity in trying to deal with the difficulties of the recession and meet mortgage repayments.

[Senator Marc MacSharry.]

They need the same kind of flexibility that is being shown to our nation and our Government by Europe to elongate the mortgage debts of this country by up to 30 years. The Commission proposed today that the rates of those mortgages should be reduced to 0%. It is incumbent on the Government to look again at the Family Home Bill 2011, which was voted down in this House by only three votes——

An Cathaoirleach: Have you a question for the Leader?

Senator Marc MacSharry: I have. Thank you for the latitude you have afforded me. The Bill enjoyed the support of many independent Senators because it had real proposals, which The New Beginning group called “the only show in town” for providing real options to people. They were denied because “they were not necessary”, according to the Minister of State, Deputy Brian Hayes, on the night of the debate. However, we have seen it fester as a major issue throughout the entire summer. Therefore, pending the return of the Bill either through the Dáil or in this House, I call on the Leader to allow for an urgent debate on the solutions which must be put forward and measures which must be put in place, similar to those that have been put forward by the European Commission for our State. Let us do the decent thing for the plain people of Ireland as we would expect the nations of Europe to do for this nation.

Senator Catherine Noone: I ask the Leader to request the Minister for Finance to come before the House, provided he can find time in his busy schedule, to discuss the issue of credit unions. It is an absurdity that, according to newspaper reports, credit unions are only able to lend for the first ten days of each month. I am interested in discovering the facts as it appears they are only giving approximately 20 loans of €5,000 each month, which is absurd in the current climate. While some credit unions may have engaged in reckless lending, they were not involved in even a fraction of what the banks were up to. It is somewhat rich of the Central Bank to issue directives to credit unions not to lend beyond the tenth day of the month to people in serious need of finance.

While the issue of teenage drinking raised by Senator Moran is very important, the bigger question is why teenagers would not engage in serious drinking when adults do so. We live in a country where people come out in a rash if they have to attend an event where drink is not on offer. Far be it from me to be a killjoy — I like to socialise as much as the next person — but the culture of drinking and general attitude to alcohol in this country present serious problems, the results of which will become increasingly clear in the years ahead. A strategy is needed to address this problem. I ask the Leader to arrange a debate on this issue of serious public importance.

Senator John Crown: Prior to the recess, Senators were summoned to consider emergency legislation to deal with the shortage of medical person power which had emerged, despite the country having the highest number of medical schools per head of population of any western or OECD country. The House was compelled to pass urgent legislation in order that we would be able to recruit or, as some would say, plunder doctors from two of the most medically underserved populations in the world to keep our health service functioning. The two countries in question are India and Pakistan. While I supported the legislation through gritted teeth, I considered it indicative of a profound and long-term failure of planning that we could find ourselves in such a Ballymagash-like position in which several days before the end of the mandated contractual deadline for young doctors, we had been forced to fundamentally re-jig and re-order the processes we had in place for the assessment of doctors coming to practice in the State.

I echo the contributions of colleagues in calling on the Leader to please urge the Minister to come before the House to have a little chat with Senators about a number of issues relating to the health service. On a specific issue, it is important that a report be furnished to the House outlining what was the disposition of the recruitment process, how many doctors were recruited, how many came here and how many passed through it. It is being reported in the lay press that many of the young doctors who came are still not working because, we are told, the documents they were required to provide were not in order. I suggest it was incumbent on those importing doctors from such medically starved areas to this country where, apparently, many of them are appropriately being supported, fed and sheltered, even though they are not yet able to work, to ensure the necessary documentation was in place before they arrived. It is another extraordinary failure of planning that this has happened.

This is a microcosm of a larger problem. As I have stated previously, it was very depressing to read that in August, traditionally the quietest month in the health service and the time when trolleys are empty, the number of patients on trolleys was higher than at any time in five or seven years — I forget the exact period. This is a desperate warning that when the winter—

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

Senator John Crown: Will the Leader request that the Minister come to the House and report to us on the status of the young doctors that we discussed and the number of beds available for the upcoming flu season compared to last year. Is it a desperate warning sign that in the month in which we need medical services the least, they are already breaking all records for under-supply and lack of resources? There is a great line in “Jurassic Park” when the dinosaurs start eating all the people after Dr. Malcolm had warned that this was the inevitable outcome of making them. He says: “Boy, do I hate being right all the time.” This is what is happening. The health system is run by the wrong people and it is funded in the wrong way. We need to fix these problems urgently.

Finally, I suggest a new-term resolution for all my colleagues. I ask them to remember that in this House they do not represent any geographical constituency, and to bite their tongues every time they want to start a speech with the phrase “in my constituency”.

Senator Cáit Keane: Hear, hear.

Senator John Crown: Their constituencies are either the universities, the panels or the Taoiseach, but they are not geographically defined. This is not the waiting room for the next Dáil comhairle ceantair selection committee.

Senator Jim D’Arcy: Maraon le mo chomh-Sheanadóir, ba mhaith liom mo chomhgairdeas a ghabháil leis na mic léinn a fuair torthaí na meanteistiméireachta inniu, leis na daltaí a rinne an scrúdú ard leibhéil sa matamaitic agus go háirithe leo siúd a rinne an t-ábhar nua, project maths. Tá sé rí-thábhachtach go mbéadh líon mór daltaí ag déanamh matamaitice ar an ard leibhéal.

Iarraim ar an Cheannaire dul i gcomhairle leis an Aire chun deimhniú nach mbéadh aon laghdú caighdeáin ar an gcuraclam matamaitice de bharr project maths, so that it is the methodology that has changed and not the curriculum as such. We need a strong and rigorous set of A-level mathematics students so this country can continue its recovery. Project maths is very welcome but we should make sure it does not lead to dumbing down.

I will finish by mentioning all students starting their third level studies. I was out at the campus of NUI Maynooth twice this week, and the enthusiasm and the sense of hope and self-belief was very strong. Thinking of this broken country, I was reminded of the words of T. S.

[Senator Jim D'Arcy.]

Eliot: "What are the roots that clutch, what branches grow/Out of this stony rubbish?" Our students are our hope for the future and I wish them well.

Senator Michael Mullins: I support Senator Noone in her call for a discussion on credit unions. The Financial Regulator may have gone somewhat over the top in curtailing the lending activities of the credit unions, which were always regarded as the small person's bank. Never before was the credit union needed so much by people who are struggling to pay the fees of their children in college or bridge financial gaps for short periods. My major concern is that we will drive those people into the hands of moneylenders, and we all know the difficulties that can cause.

I ask the Leader to arrange for the Minister for Finance to come to the House on an occasion that suits him for a discussion on the major loss of revenue to the Exchequer through illegal and criminal activities. Senator Quinn mentioned the incidence of diesel laundering but there are also other areas where vast amounts of money are being lost to the Exchequer. Figures published yesterday indicate that €1 billion has been lost to the Exchequer over the past two years through illegal tobacco activities, namely, the smuggling of cigarettes into this country. There is also the area of the black economy. Legitimate businesses are being forced to close as a result of activities of cowboys who are able to undercut legitimate operators by not paying their tax and not honouring their commitments to the State.

I also raised an issue some time ago here about——

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

Senator Michael Mullins: My question is whether the Leader can arrange for a debate on this issue to take place as a matter of urgency. I raised the issue of cross-Border activity in regard to machinery where people were defrauding this State as a result of the importation of machinery from the North. At a time when we are desperately trying to plug the hole in our finances and various services are under pressure, we need to ensure we get all the moneys we possibly can into the Exchequer.

An Cathaoirleach: The Senator's time is up. I call Senator Power.

Senator Michael Mullins: I am concerned that huge sums of money are being lost to the Exchequer as a result of illegal activities. I thank the Cathaoirleach for his indulgence.

Senator Averil Power: Will the Leader arrange for the Minister for Education and Skills to come to the House to discuss the outrageous proposals to increase class sizes for primary school pupils? I ask Members on this side of House to object to the idea that such a proposal would even be contemplated. Such proposals were put by officials to the previous Government and rejected outright when our four year plan was being prepared. There is no doubt there are pressures on the education budget but investment in primary education and initiatives such as the free preschool year, which was introduced in a tough budgetary environment but prioritised by the previous Government, are important. There is numerous research that shows that the best investment in education, from a social and economic point of view, is in the early years.

I would like the Minister to come to the House to outline if such proposals are being seriously considered by the Government and to give Members on all sides of the House an opportunity to express their views on that. There was also an airing in the media of the idea that the free preschool year might be abandoned. That would be a crazy move. There are other ways to save money. That is a part of the education system that should not be touched. From the point of view of disadvantaged children, it is the best possible start for them. It is all very well to

invest in those who were lucky enough to make it college and obviously that is a priority in terms of research, but from the point of view of the disadvantaged, the best impact we can have is to help younger people at the earliest possible stage and ensure that everybody gets the best possible education even in the current economic environment. That needs to be protected at all costs.

Senator Paul Coghlan: Senator O'Neill touched on an important issue when he referred to the lack of co-operation between local voluntary groups and local authorities and whether there is an insurance issue involved. The country is too small to lack uniformity in this regard. It is something we should pursue with the Minister for the Environment, Community and Local Government. I intend to pursue it with him, particularly when we have such a wonderful headline example of co-operation between a local authority and all sorts of voluntary groups in our tourism capital in Killarney. Members will be aware of what happened there recently. I compliment the town council and all its outdoor staff, all the local organisations, street and State committees and associations, the chamber of tourism and commerce there, Yvonne Quill and her committee who gave a wonderful lead, and Fr. "Tidy Towns" Michael Murphy. It was wonderful what was——

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

Senator Paul Coghlan: I am simply pointing out to the Leader that we need to pursue this with the Minister for the Environment, Community and Local Government when there is such a wonderful example there of great co-operation——

Senator Terry Leyden: The Senator is trying to mend fences.

Senator Paul Coghlan: ——between that local authority and all the local interests working so well together to achieve the result that the town obtained in the recent Tidy Towns competition. I heartily congratulate them again.

Senator Terry Leyden: The Senator is in the photograph.

Senator Tom Sheahan: I cannot let it pass without mentioning that Senator Coghlan, in his modesty, did not say that he was out with a litter picker on many occasions.

Prior to the recess I asked for the chief executive of the Environmental Protection Agency, EPA, to be brought before the House. I ask again for that to be done as a matter of urgency. Some 700 jobs are about to be relocated because of the sledge-hammer approach by the EPA and I would like its CEO to come to the House to explain that. There is a 1.4% possibility of contamination.

I am a member of the Joint Committee on Finance, Public Expenditure and Reform and the Financial Regulator and the Governor of the Central Bank attended that committee during the summer but one only gets a minute at the end of the meeting to ask a question and when one directs one's question to the Financial Regulator but the Governor of the Central Bank chooses to answer it, that is not good enough.

I ask the Leader to ask the Financial Regulator to come to the House. I have raised for the past year the issue of the sledge-hammer approach that has been taken to the credit union movement. When I put it to the Financial Regulator in committee that he had done this before in another jurisdiction, he went pale. He came to the committee with a naive approach that he knew nothing about the credit union movement. He destroyed the credit union movement in Burma and he is trying to do the same here. He is a banker who is destroying to destroy the credit union movement.

An Cathaoirleach: The Senator cannot say that on the Order of Business.

Senator Tom Sheahan: I have said it and let him come in here. He refused to answer that in committee.

An Cathaoirleach: That is a matter for the Committee on Procedure and Privileges.

Senator Tom Sheahan: I ask the Leader to invite him——

An Cathaoirleach: That person is not here to defend himself. The Senator should know that.

Senator Tom Sheahan: We are offering him the opportunity to come to the House.

An Cathaoirleach: I call Senator Brennan.

Senator Tom Sheahan: I would also like the CEO of the EPA to come to the House. I have always understood that “illegal” and “unauthorised” meant pretty much the same thing.

An Cathaoirleach: There is a process for somebody to be invited to the House. The Senator can ask the Leader to raise it at the Committee on Procedure and Privileges.

Senator Tom Sheahan: I hope he will.

Senator Terry Brennan: I support my colleague, Senator Quinn, on the issue he raised. I can confirm for the Senator that diesel laundering is happening not only in my constituency. It is an issue in the entire Border region and it is expanding south. It is being distributed practically throughout the top half of our country. It is a major issue. Senator Quinn mentioned the question of loss of revenue to the economy and the fines imposed but the fines are minuscule. A fine of €3,000 and €4,000 and the closing of a business for a day for some of these distributors is minuscule. It is a pittance. It should be examined. It is a major problem and one about which I am very concerned. There are legitimate businesses in every county along the Border and they are losing out greatly.

My question to the Leader is how we solve this. I have read about this and it has arisen in the Seanad and Dáil previously. I ask the question, and perhaps it is a stupid one, about the implications for the country and for the farming community in particular if we were to have only one type of diesel. The farming community could apply for a rebate every three to six months or annually. Why have two types of diesel in the first instance? I do not expect the Leader to answer that question today. I am sure somebody has asked that question previously in one or other of these Houses of Parliament. What not have only one type of diesel and thereby eliminate all this diesel laundering?

Senator Maurice Cummins: Senator O'Brien raised the issue of pension schemes being underfunded. Quite a number of pension schemes in the country are underfunded. I cannot understand how 0.6% levy would result in a 10% reduction in pension payments. That is something that would have to be investigated. The levy introduced on pension funds was 0.6% . I do not know how that can translate into a 10% reduction. It must relate to the underfunding of the pension scheme itself.

The commitment not to increase tax or cut social welfare was given some time ago. I have no further information on whether it still pertains, although I would think it does. I am not *au fait* with the situation.

Several Members called for the Minister for Health to be present for a debate. I will endeavour to arrange that in the near future, if possible.

Senators Bacik and Cullinane spoke about the job losses at TalkTalk, with particular reference to the way in which the workers involved were treated. It is appalling that workers can be treated like that in this day and age. We can raise the matter with the Minister for Jobs, Enterprise and Innovation when he comes to the House before 6 p.m. I am sure there will be ample opportunity to address the problem and to ask pertinent questions about this issue.

Senator Bacik referred to the Arab Spring. We hope an all-party motion in that regard will be put on the Order Paper and brought before the House tomorrow.

Senator Zappone mentioned the merger of the Irish Human Rights Commission and the Equality Authority. We all hope the merger will provide for a more effective and cohesive policy. We can ask the Minister for Justice and Equality to come to the House to speak on the matter.

My intention is that the public consultation committee which is now in place will concentrate on the single issue of human rights over the next few months of this term. I suggest we deal with the matter by allowing people to make submissions to the committee. I will raise it with the Committee on Procedure and Privileges at an early stage.

I intend to invite the President of the Irish Human Rights Commission, Dr. Maurice Manning, who is a former Leader of the Seanad, to address this House before the end of the month. An enlightening debate should follow the former Leader's contribution on behalf of the commission.

Senator Mullen and a number of other Senators raised the German Commissioner's comments about the Irish flag. I would like to treat those remarks with the contempt they deserve by refusing to comment further on them.

Senator Darragh O'Brien: Hear, hear.

Senator Maurice Cummins: Senator Mullen referred to the decision to extend the terms of the loans and to reduce the interest rates. We all welcome the proposals that are emanating from the European Commission.

The Senator also spoke about the situation in relation to parliamentary questions. I remind him that this House continues to deal with four Adjournment matters each day. I am sure questions can be asked each day in this House in the form of Adjournment matters.

Senator O'Neill raised a number of issues for which the Minister for the Environment, Community and Local Government is responsible, including the stockpiling of salt in advance of the winter months. We will make inquiries about the situation in that regard. The Senator also asked the Minister to clarify the role of local and voluntary groups in assisting local authorities during the winter, especially with regard to insurance. We will try to get answers to both of those questions from the Minister and provide the information to the House at a later stage.

I do not propose to accept Senator Leyden's amendment to the Order of Business. He is playing politics with people once again.

Senator Terry Leyden: That is not true.

Senator Paul Coghlan: Some things never change.

Senator Maurice Cummins: I ask Senator Mac Conghail to consider him for a part in the Abbey Theatre in light of his performance here today.

Senator Terry Leyden: The Government has betrayed the mandate the people gave it.

Senator Maurice Cummins: Senator Moran and other Members congratulated those students who received their junior certificate results today.

I will arrange a debate on the problem of teenage drinking, which was raised by a number of Senators. This House should address this serious issue.

Senators Norris and Conway referred to the charges of slavery that have been brought in the UK. Senator Conway also mentioned a case of forced labour that arose in this country. It is obvious that there is a gap in our own legislation in this respect. I will ask the Minister for Justice and Equality whether he plans to plug the legislative gap in this regard.

Senator Henry spoke about the money advice and budgeting service, MABS. There has been a massive increase in the number of people seeking the advice of MABS in recent years. We will seek clarification from the Minister, Deputy Burton, on her future proposals with regard to MABS.

Senator Cullinane addressed the question of the job losses in TalkTalk. We will deal with that at a later stage. The Minister, Deputy Bruton, will be here to answer questions later this afternoon. The Senator also called on the Minister for Finance to come to the House. The Minister, Deputy Noonan, will be here next week to deal with legislation. I hope he will come to the House in the first half of next month for statements, questions and answers on the whole financial and economic area.

Senator Keane mentioned the decision that has been made with regard to professorships at Trinity College. I understand the decision is cost-neutral. The Minister for Education and Skills will come to the House soon. We can address those problems with him.

Senator Daly spoke about the Arab Spring. As I have mentioned, the House will be asked to consider a motion on the matter.

Senator Comiskey referred to the severance payments that have been made to senior civil servants. There is grave disquiet among the public about this matter. Perhaps the Senator can ask the Minister for Finance about his proposals for the future. Proposals are already in place to reduce future pension entitlements.

Senators Quinn, Mullins, Brennan and others highlighted the cost to the Exchequer of the scandal of washed diesel. I join Senator Quinn in complimenting the Garda and the Customs and Excise on the wonderful job they do in this regard. It is derisory that garage owners who are found to be selling illegal diesel are merely asked to close for a single day or to pay fines of €3,000 or €4,000. It will have to be addressed as a matter of urgency——

Senator Darragh O'Brien: Hear, hear.

Senator Maurice Cummins: ——perhaps in the budget or beforehand. This matter certainly needs to be addressed. The whole idea of having one diesel for farmers, and allowing them to recoup the costs, should be examined. That may have been done already. Some kind of operation needs to be put in place to stop these people from gaining money at the expense of the public and the Exchequer, which is what is happening.

Senator MacSharry spoke about hospital services in the north west and referred to the Family Home Bill 2011. The Minister has stated plainly that proposals will be made and action will be taken on mortgage relief before this year's budget comes into place.

Senators Noone, Mullins and others raised the issue of credit unions. We will have the Minister, Deputy Noonan, in the House next week and we can address those matters with him.

Senator Crown raised the recruitment process and the report on junior doctors. The report is something that should be given to the House. He also raised the question of bed closures for the winter. I will endeavour to have the Minister for Health come to the House as soon as possible to address these matters.

Senator Jim D'Arcy raised the issue of project maths and sent compliments and good wishes to the third level students whom, I am sure, we all would want to wish well. We hope that we will have turned the economic corner, and the opportunities and jobs will be there, for those third level students who are commencing their studies this week. They are the country's future and we all wish them well for the future.

Senator Mullins raised the issue of diesel laundering and the matter of the importation of machinery, which he raised previously, and illegal tobacco activities. The black economy seems to be thriving again and that is a threat to the many legitimate businesses. We will raise that, in particular, with the Minister, Deputy Noonan, to see what can be done.

Senator Power sought a debate with the Minister for Education and Skills. The Minister, Deputy Quinn, will be in this House dealing with legislation next week and I hope to have him in later, in October, for statements and questions on education.

Senator Coghlan raised the issue of the capital of Ireland, Killarney, and local authorities there.

Senator Paul Coghlan: The word "tourism" is missing there.

Senator Maurice Cummins: There is no doubt it is the tourism capital of the country. Senator Sheahan raised the issue of the Environmental Protection Agency, EPA, and problems in that regard. I suggest that the Joint Committee on the Environment, Transport, Culture and the Gaeltacht would be a more appropriate forum than the House at which the chief executive of the EPA could attend. There is also a request that I consider a visit by the Financial Regulator with the Committee on Procedure and Privileges. I do not think that we will be acceding to it. We will consider it but I think it is a matter for the Joint Committee on Finance, Public Expenditure and Reform. Senator Brennan concluded on diesel laundering, a matter which several other Senators raised.

An Cathaoirleach: Senator Leyden has moved an amendment to the Order of Business: "That a debate on the withdrawal of accident and emergency services in Roscommon County Hospital be taken today." Is the amendment being pressed?

Senator Terry Leyden: Yes.

Amendment put:

The Seanad divided: Tá, 19; Níl, 29.

Tá

Barrett, Sean D.
Byrne, Thomas.
Crown, John.
Cullinane, David.
Daly, Mark.
Leyden, Terry.
MacSharry, Marc.
Mullen, Rónán.
Norris, David.
Ó Clochartaigh, Trevor.

Ó Murchú, Labhrás.
O'Brien, Darragh.
O'Sullivan, Ned.
Power, Averil.
Quinn, Feargal.
Reilly, Kathryn.
Walsh, Jim.
White, Mary M.
Wilson, Diarmuid.

Nil

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

Henry, Imelda.
Higgins, Lorraine.
Keane, Cáit.
Landy, Denis.
Moloney, Marie.
Moran, Mary.
Mulcahy, Tony.
Mullins, Michael.
Noone, Catherine.
O'Neill, Pat.
Sheahan, Tom.
van Turnhout, Jillian.
Whelan, John.
Zappone, Katherine.

Tellers: Tá, Senators Ned O'Sullivan and Diarmuid Wilson; Níl, Senators Ivana Bacik and Paul Coghlan.

Amendment declared lost.

Order of Business agreed to.

Business of Seanad

Senator Maurice Cummins: I propose an amendment to the Order of Business that, given that we have lost ten to 15 minutes already, we would conclude No. 1 at 6.15 p.m.

An Cathaoirleach: Is that agreed? Agreed.

Senator Maurice Cummins: As the Minister, Deputy Bruton, is answering questions in the other House at present, I propose that we adjourn briefly. If we resume at 4.30 p.m., we can conclude at 6.30 p.m.

An Cathaoirleach: Is that agreed? Agreed.

Sitting suspended at 4.15 p.m. and resumed at 4.30 p.m.

Innovation at the Heart of the Jobs Challenge: Statements

Acting Chairman (Senator Jim D'Arcy): I welcome the Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton. We will begin with a statement by him on innovation at the heart of the jobs challenge.

Senator Mary M. White: Does the Minister have a script?

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): No. It is a pleasure to be in the Seanad to speak about this critically important issue. It is a long time since I was a Member of the Seanad, but I certainly learned here the importance of adopting a constructive approach to politics which, perhaps, has been lost a little in the Lower House in which the approach to issues tends to be more partisan or contentious and less constructive. I look forward to hearing the views of Senators. I need not tell any of them about the really difficult economic situation we face, but I want to point to a few dimensions that are important signals as regards where we need to go.

In the past three years we have lost almost 350,000 jobs. What is particularly depressing is that two thirds of these have been lost by persons under the age of 30 years and we are losing significant numbers of younger people to emigration as a result of the fallout. Last year approximately 30,000 Irish people emigrated. That is a level of attrition we cannot stick for the building blocks of a strong economy in the future. We need these younger people to work and find their future in Ireland. It is not simply for one Department or the Government alone. Society as a whole must consider the challenge of making jobs our most important priority and prioritise it in every way we can.

I will not give a political rundown of what went wrong but when we consider what happened in the past decade the legacy of the property boom has been very serious. While property boomed the things that really matter for employment in a small open economy decayed and we lost our competitiveness dramatically. Let us consider the world competitiveness ranking. We dropped from fourth to 24th place and we are down again this year according to recent figures. We lost our export market share dramatically for six years in a row. While the previous decade had been one of dramatic growth with up to 8.5% per annum growth in our market share it then swung into reverse. We lost approximately 30 percentage points on simple cost competitiveness against the likes of Germany with which we compete in key export markets. Our model which had been balanced became very distorted and instead of having exports balanced with growth in other sectors such as construction and so on, construction took over. Not only did this damage our competitiveness, it significantly damaged key elements of our system, most notably the banking system. We must address these significant issues and this is the legacy of that period.

Ireland has been in such a situation before and it is important to recall as much. The Whitaker-Lemass era was a similar period in which a Government and a public service with political drive on one side and public service innovation on the other addressed a series of failed policies and changed direction. We should think in such terms again. Ireland and the people must consider how we can create a different, stronger, sounder future for ourselves from what has passed in recent years. We must re-imagine our country's future and the type of economy we seek to create. This is why I spoke at the MacGill summer school about needing an innovation revolution and that was reflected in the title. We need to create an indigenous engine of growth in the country with enterprise as the driver. Innovation must become the norm not only in enterprises, which is crucial, but throughout the public service and the supports we have in place. This is the challenge the Government must address.

It will not simply be about enterprise strategy, it will also be about how we manage the support and activation of people who are out of work. How do we create an education system that is more geared to the challenges of a modern workplace? How do we create a public service that does not create regulatory burdens and drags on business and which recognises that one can have high standards without bureaucratic drag and creating cost? This requires innovation in thinking throughout the whole of Government and, most important, within business. One of the disappointing things I have found coming back to this Department after 14 years was to learn that exports were still dominated by foreign companies from which 90% of our exports continue to derive. Indigenous companies have only 10% and they have not been building market share for a considerable period. Questions must be asked about our enterprise development model. Why have we not created stronger companies within the indigenous sector? There are dynamic companies but many reach a certain level and then are sold or do not go to the next level. We need to consider seriously the strategies and policies that we pursue.

Also we must consider the multinational sector. Many countries would give their right arm to have the breadth of strength we have in the multinational sector. We have created a leading edge in information and communications technology, medical devices and pharmaceuticals and

[Deputy Richard Bruton.]

digital gaming. We have strong sectors but on examination their overall impact on the economy in terms of linkages and purchase of materials and services has been dwindling over the years. We must develop a new model to exploit the strengths of the multinational sectors and to turn them into clusters of growth that spawn indigenous companies which grow within the environment as well as strong export companies based largely on foreign research and development and marketing.

We have started to do this and we have laid down a bedrock of science and research capability in our universities. However, in many sectors we have failed to ignite a broader cluster of strength. The medical devices sectors is probably the exception. It is especially strong around Galway and the west and it appears to be spawning not only strong multinationals but strong indigenous companies which grow and flourish. We must examine our models for developing and promoting indigenous enterprise focused on the export market and we must examine how to deepen, strengthen and make the Irish-based multinationals more strategic within their own families so that we have the leaders within a multinational family.

These are great challenges for us but we have every reason to be ambitious and confident about our future. We have shown resilience through this period and we have successfully started to fix our banks. We now have proper, separated, pillar banks with the capacity to focus on the domestic economy. We are the location of choice for many of the most ambitious companies, especially in the USA. We have created real sectoral strengths and strengths within our colleges and universities. We must bring these together and we must be willing to transform the pieces of the jigsaw that are not working. Too often in Ireland when the issue of change comes up, whether change in wage setting mechanisms or the way we manage our public service, there is a tendency to see it as a zero sum game whereby for there to be an advance for one group there must be a retreat for the others. The truth is that in many of these areas there can be a gain for everyone if we start to transform the systems. It is not a question of penalising, victimising or pursuing one group in a penal way, it is a question of transforming a range of issues at the same time to create a more successful enterprise sector. We recognise that enterprise will be the driver of this transformation in the employment area which we need and it is a matter of examining what will help this process.

Some cross-cutting things will make a difference. We must drive down business costs and become more competitive. We lost ground and we must restore it. We must improve access to credit. Despite the work done by Government on getting the banks into healthier shape for many people they are not open for business in the way we would like. We must drive innovation in a new way. We must consider the resources and the substantial investment we put into research and development, whether we can sweat assets more effectively and whether we have best practice in terms of turning research into innovation and jobs. One person put it to me that research is about turning money into knowledge but that innovation is about turning knowledge into money. That is the major difference. We have been pretty good at turning the money into knowledge but the next level is how to turn that knowledge back into money, jobs and practical changes. We also need to look at the potential of businesses. As Senator Mary White will know, McKinsey undertook an analysis of Irish management which found there are capability gaps in management and concluded that if these were brought up to best practice, it would be worth €2 billion to the economy. We need to invest in our companies.

To develop those themes, the Government has been very focused on the theme of driving down business costs. As the House knows, the Minister cut PRSI and VAT and we have been reforming the wage setting mechanisms. We are now moving to reform the legal structures to make access to the legal system more cost effective and we are reviewing the upward-only rent regime, which is another important business cost. I have kick-started the whole issue of cutting

regulatory burdens, and just one month ago I raised the audit threshold by 20% so that small companies would not have to get involved in the expense of an audit.

In my own area, I am seeking to reform the employment rights and industrial relations structure, which is at present very cumbersome and overemphasises bringing cases to expensive hearings that have become very legalistic. A good employment rights and industrial relations structure heads off all those problems at the pass whereas ours tends to rush them too quickly towards expensive dispute resolution. I believe we can make significant savings and give a better environment for workers in these areas if we introduce reform. There are many areas in which we can bring down business costs, and what I have outlined is by no means an exhaustive list.

We are also working on access to credit. I am sure Senators receive as often as I do details of the individual cases of people who are not getting the loans they sought from their bank. More people should use the complaint systems. The Credit Review Office recently published figures which show that only 300 cases were appealed to the banks and fewer than 100 were appealed from the banks to the Credit Review Office. In respect of cases on which the Credit Review Office made a decision, it overturned more than half. It is clear, therefore, there is a problem in the way banks are treating people seeking money but only a very small number are actually making it to that final level. There are all sorts of reasons for this, no doubt, but it is important and a signal that there are problems in the system. None the less, people need to give Government better sight of what is going wrong in order that the new powers the Minister for Finance is taking to have stronger oversight of the banks can work on hard information.

We recognise there are market failures, as economists would describe it. Some businesses would not get loans in the present environment because the banks are too risk averse. We are introducing a partial loan credit guarantee to fill that gap and we hope to have it developed before the end of the year. The first tranche is a temporary measure to find how this works and the target will be approximately €400 million in lending, which will fill an important gap. We are also developing the concept of microfinance to allow people who have no collateral whatsoever and are starting off for the first time. Again, this will be done in the context of the programme for Government.

We need to look at the support structure for microenterprise to make sure that structure is up to the highest standard and to find how best to support small start-up business. We also need to see more companies considering export. As I said at the outset, the level of export from our indigenous sector is too low at 38%, a figure which has not changed in a decade. Despite the opening up of huge markets on our doorstep, we have not, as a country, been exploiting this and increasing our sales abroad. This needs to be addressed and we need to consider whether there are obstacles to small companies putting their first foot on the exporting ladder, which I believe there are. Enterprise Ireland is setting up a new division to target exports, in particular first-time exporters.

We need to look at other areas that can deliver on the potential of business, such as access to public procurement. It is well known that a higher proportion of Irish public procurement goes overseas. While this is not always a bad thing, we need to make sure indigenous SMEs have a fair shot at it. The thresholds are sometimes too high or the pre-qualification conditions are too strict, so we need to examine how that can be improved, which is why a working group is working on that issue.

There are very positive signs for the future, meaning we can begin to have realistic grounds for optimism. Our export performance in the past three years has been exceptionally good, particularly in 2009 and 2010 and continuing on into 2011. We have reversed the trend of loss of market share and we are now building market share again. We will go into a trade surplus

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and a balance of payments surplus next year, so as a country we are actually paying down our debts and getting into a healthier position. The action on the public finances and of hitting our targets, which have continued throughout the year, are having positive effects. We are seeing bond yields coming down and greater confidence in the economy internationally, and we need to turn that confidence into domestic confidence as well. Many people are very nervous about spending and, obviously, the prospect of difficult budgets ahead is part of that. However, we have good grounds for confidence. For example, it is encouraging to see investment in plant and machinery picking up, which is an early indicator that confidence is returning.

As in the Whitaker-Lemass era, we need to set ambitious targets for ourselves. The Taoiseach has said that by 2016 he wants Ireland to be the best small country in which to do business, which is a realistic target. We need to drive our position back up in the competitiveness rankings. We need to set ambitious targets for the development of key sectors where we have strength. We have real opportunity in digital gaming, green economy-clean tech and other areas. What we need to do is decide whether there are obstacles in the way of those sectors and seek to systematically remove them.

I want to give a guarded sense of optimism about the jobs challenge. No one is understating the scale of the problem and the damage we have to overcome, and no one is saying this will be solved overnight. However, if we pursue consistent policies that are based on the needs of an enterprise-driven, export-oriented sector, we can regain the strength we had and create the opportunities for employment here. To achieve this, a huge amount of transformation is needed, not just in the narrow enterprise space but in many of the other dimensions of public service and our communities, which can make a difference.

Communities can really make a difference to the success of an enterprise. Whether a product gets onto a shelf in a local supermarket or in a supermarket chain, whether people are willing to value and spend on well-designed domestic products, whether mentors are available to support a start-up business which is going into what they call the valley of death, which is a difficult valley in which one is trying to make sure one does not fall into the potholes that await young entrepreneurs, all of these make a huge difference. There is much a community can do, whereas the State cannot do it all.

As part of this challenge, we will be looking to significant groups in the community to put their hands out to the needs of those starting businesses to see whether they can do that bit more and deliver more support. For example, the chamber of commerce in Galway is supporting people in that difficult period after they become unemployed and when they are starting to think about setting up a business, and this is done through mentoring, networks and so on.

Much can be done through communities, as well as through the enterprise support bodies. I look forward to hearing the views of Senators and hope to incorporate sensible and worthwhile ideas into our policy development work.

Senator Mary M. White: I am delighted to welcome the Minister. His heart and soul are in the portfolio he has been given and he will make dramatic changes. The public sector has to be as innovative and entrepreneurial as the people who are out fighting in the market for market share. From my experience, the Department of Jobs, Enterprise and Innovation needs to change its bureaucratic state of mind. There are good people in the Department who need to be motivated and not restricted by regulations. They need to be sensitive to what those in the marketplace are experiencing.

I refer to microenterprises. I support what the Minister said in this regard. The concept of supporting people who employ a small number of workers has to be addressed, as one can

start a company with one, two or three employees. Many unemployed persons would be well geared to starting a business.

City and county enterprise boards have been in a vacuum for the past year or two. They do not know where they are going and what finance is available to them. This is a pity because we need them to operate at the core of communities. The current system does not have to be kept in place, but something has to be done by the Government to help small companies employing up to ten employees. It is critical that this issue is dealt with because the current system is not working.

The Minister mentioned public procurement. When one examines the figures, it is amazing to find how little Government business Irish companies receive compared with those in other countries in Europe such as France and Germany. We seem to be over-anxious about EU regulations, an approach which is preventing Irish companies from receiving more Government business. This issue has to be addressed. I asked the previous Minister to address it but nothing happened.

The Minister referred to getting products on shelves. Mr. Frank Ryan, chief executive officer of Enterprise Ireland, spoke to our group yesterday about the Diaspora, people who were educated in Ireland who now hold very senior positions and could facilitate Irish companies in other countries. It was a whole new idea of what the Diaspora could do. The father of Sir Terry Leahy who was chief executive officer of Tesco in the United Kingdom came from Sligo, while his mother was from south Armagh. When Tesco established in Ireland having bought Quinnsworth which, as we all know, was an English company owned by Associated British Foods, his personal and emotional connection with Ireland through his father and mother caused him to help indigenous food industries. Senator Fergal Quinn, as managing director of Superquinn, and Sir Terry Leahy made our company. The human element is interesting. Senator Feargal Quinn wanted to promote Irish products, while Sir Terry Leahy gave many Irish producers a chance to export their products. When Tesco took over from Quinnsworth, Lir Chocolates gained access to 700 retail outlets in the United Kingdom overnight. One would not be able to receive business if one could not rise to the occasion. The Irish connections are fascinating.

We must try to address the issue of domestic demand. Mr. Joe Durkan of the ESRI also spoke to us yesterday and said the Government should be devising a plan to tell the people what they could expect it to do in the next two or three years. He said they needed to hear about the cuts to be made rather than hearing about them on budget day because they had no confidence about what was going to happen next. He also said that if they were told what was going to happen next, they could save money for the education of their children. It is common sense for them to know how much money they have to spend.

When Mr. Tony Foley spoke——

Acting Chairman (Senator Jim D’Arcy): I apologise for interrupting the Senator, but she has only one minute left.

Senator Mary M. White: The Minister has to focus on indigenous companies and the contribution they can make. Irish people and politicians love to see multinationals establishing here, but they do not have much regard for indigenous companies. Enterprise Ireland is involved with such companies which employ 137,000 people, compared with foreign direct investment companies which employ 125,000. Indigenous companies spend €19 billion in the economy, compared with a figure of €21 billion for foreign direct investment companies. We have to be proud of what we are doing, as I know from experience in the company I started. We have to stand up and be counted and get Irish companies on the radar in communities. We need to

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send the message that there are very successful indigenous companies because it seems as though multinational companies are much sexier. The job of the Minister is to highlight them and encourage others to start up companies. The only way more people will be employed is by starting up companies and innovating in order that they will be able to compete in the market and develop new products that customers outside Ireland will want to buy. There is great ignorance in this regard. People do not know what the term, “we need more exports,” means. Increasing our exports will mean more jobs and money in the economy.

We had a meeting yesterday in Tallaght during which we heard a presentation by the Tallaght Centre for the Unemployed. I told its representatives that I would raise the issue today. It acts as a voice for the unemployed, tackles issues affecting unemployed persons and tries to help them to better themselves. It provides educational and training facilities and wide-ranging information on welfare issues. Its projects include a jobs initiative scheme, Tops Mobile Jobs Club, a mobile crèche, a women’s support group and computer system training. It has recently been crippled by a massive reduction in its funding from the Government. One worker said the heart of the community had been squashed.

As I have said many times in this Chamber, the long-term unemployed are the ones we have to help, as their numbers are increasing. When I started my company in East Wall there was a transformation in people when they got a job. Self-confidence, self-esteem and everything else is transformed when a person gets a job. I, more than most, appreciated the transformation in people’s lives which I saw when my company started in the middle of the last recession in 1986. I ask the Minister to address the issues of the long-term unemployed, microenterprises and those in Tallaght. The people there were thrilled when I said I would have the opportunity to raise the issue of the centre with the Minister today. I wish the Minister best of luck and every success.

Senator Deirdre Clune: I wish to share time with Senator Maurice Cummins.

Acting Chairman (Senator Jim D’Arcy): Is that agreed? Agreed.

Senator Deirdre Clune: I am glad to have the opportunity to contribute to the debate. I welcome the Minister.

We are focusing on innovation which, as we all know, can be a very wide agenda, something mentioned by the Minister and Senator White. Innovation is not confined to the science lab, rather it concerns the economy, community and the public sector in particular in terms of how it can change and adapt to the changing world and ways of doing business.

The Minister, Deputy Howlin, is doing a lot of work in that area. Last year or the year before, the innovation task force produced a report. Its recommendations covered every Department, including the Department of Education and Skills and the then Department of Justice and Law Reform, in terms of bankruptcy and insolvency. The idea was to encourage an entrepreneurial spirit across the economy. We need to encourage that kind of thinking, particularly in the public sector.

As the Minister mentioned, we also need to address competitiveness and how companies fare which export abroad. The cost of doing business in this country is higher than others. It does not matter whether a company is exporting financial services or medical devices, it is competing abroad in international markets. Such companies carry additional weight associated with the cost of doing business in this country.

Last week the National Competitiveness Council produced its annual report, of which the Minister will be aware. It has been in operation since 1997 and examined the cost of doing

business. While Ireland has improved in a lot of areas, the council pointed out that others are not sustainable. It referred to access to credit, which the Minister mentioned, taxation policy, education, energy and our telecommunications infrastructure. We need to improve in those areas if we are to ensure that indigenous and international companies succeed, continue to survive in the marketplace and create more jobs.

In terms of innovation, it is important to encourage start-up companies. The Minister has said on numerous occasions that he is listening to and has engaged in dialogue with these types of companies to determine their needs, concerns and what can be done to ensure they develop. Innovation is also about protecting existing jobs and ensuring skills are available and employees can be upskilled necessary. Others probably will refer to the situation regarding TalkTalk in Waterford. It puts a sharp focus on the skills that are needed, such as languages and information technology.

We recently received a submission from the Irish Internet Association outlining the lack of suitably qualified people for the ICT sector and gaming industry. The Minister mentioned the importance of the gaming industry and we have a real opportunity to perform. In Ireland, 75% of ICT employers have job vacancies and many are finding our young talent has gone abroad and is not available to them.

I do not want to have another debate on mathematics, but young people have not been attracted to technology and mathematically based studies. We are now finding there is a gap in terms of people who could be employed in these industries. Many issues are being progressed. The Minister, Deputy Quinn, is addressing the skills issue and is serious about ensuring we improve on the take-up of mathematics in schools and the courses young people take at third level.

The digital economy is also important. Real support has been given to small industries. The Digital Hub presented a submission to us recently on the need to encourage small businesses, in particular, to go online and become accessible. The figures submitted are striking. Last year 70% of the €3 billion spent by Irish consumers went to non-Irish businesses because people bought online, especially from the UK. There is a real need to ensure all small businesses have access to the Internet to advertise their wares, services and products.

The Minister mentioned transferring research and development into money. How will we do that? I would like to focus on the technology transfer centres in universities and third level institutions. I hope there is a future for them but I wonder what form they will take. They can play a very important role in transferring knowledge into money-making industries.

Senator Maurice Cummins: I welcome the Minister to the House and thank him for coming to Waterford last Monday. My city has by far the highest employment rate in the country, almost 20% at this point in time. The south east has an unemployment rate of 17.9%, again the highest in the State. Since November 2007 I estimate 3,100 headline job losses have occurred in companies in Waterford in companies such as Cappoquin Chickens, GlaxoSmithKline, Waterford Crystal, Kingspan Century, Honeywell, ABB Transformers, Teva Pharmaceuticals, Baush & Lomb and, most recently, 575 jobs in TalkTalk. It is a litany I am not proud to speak about. There are more I have missed out on. The figure includes hundreds of construction workers who are out of work and the large number of small businesses and retail units that have closed as a result of those job losses.

The situation at TalkTalk is deplorable and there is no question about it. The actions of the company and the manner in which it treated its excellent skilled staff is a disgrace. I hope the Government will take steps to ensure this type of behaviour will not be tolerated in future from any company. The Minister was correct to say IDA Ireland in Waterford bears no

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responsibility for the loss of jobs in TalkTalk. Responsibility rests totally with the company itself. However, there is a need for the decision makers, including people with clout from IDA Ireland and Enterprise Ireland, to be based in Waterford.

Since 1996 when IDA Ireland reduced its number of regional headquarters from eight to four, Waterford and the south east has suffered badly. As mayor of Waterford in 1996 I lobbied the Minister strongly to prevent this so-called rationalisation. At the time I feared there would be severe repercussions for the future of my region and city. The Minister gave assurances at that time which he honoured until he left office in 1997.

The 14 years of Fianna Fáil led Government has brought the region on to a standstill and stunted the effectiveness of State agencies in promoting and actively assisting companies to set up in our region. I welcome the Minister's announcement that he is conducting a report to be completed within weeks on the strengths, weaknesses and needs of our city and the region with a view to an action plan to address the problems and prioritise job creation in Waterford. We had a similar plan and report, entitled Strategy Waterford, in 2001 into which IDA Ireland also had a great input, but that was all talk and no action. I trust the Minister will act to restore Waterford as a strong and vibrant gateway city with opportunities for all our people. I accept the Government does not create jobs, but it must cut out the bureaucracy and obstacles and create an environment to attract jobs and protect and assist existing companies, especially in indigenous industries, to ensure they have a level playing field when it comes to job creation and are not placed at a disadvantage.

The workers at TalkTalk need to know their entitlements and opportunities for training and education. I hope the Department of Social Protection, FÁS and all other State agencies will be on site to give advice to each individual. These people are at their lowest ebb with worries about mortgages, how they will feed and educate their children and what the future will hold for them. One must go through this process to know exactly what the workers feel. I know as I went through that myself, and it is certainly not a pleasant place to be.

Innovation, research and development are the only show in town to kick-start our economy. Fast-tracking a technological university can be the catalyst to start the comeback for Waterford and the south east. A strong Waterford city is vital to the future well-being of workers south Tipperary, south Wexford and south Kilkenny in particular. The small-minded attitude of some in the region that a weaker Waterford would bring greater prosperity to other towns in the region has been shown to be a false message that has brought misery to workers in south Tipperary, south Wexford, south Kilkenny and, of course, Waterford city. I wish the Minister well and I hope he will be the bearer of good news on the jobs front for the people of Waterford in the short to medium term.

Senator Jillian van Turnhout: I thank the Minister for joining us today. He might be wondering what I, as a children's rights advocate, have to say about jobs. For more than 15 years I worked for a small and medium-sized enterprise, through the good times and bad times. As I dealt with making staff redundant and dealt with transfer of undertakings to a UK entity, I understand the sleepless nights that people are going through. I very much welcome the commitments the Minister made today about driving down costs for businesses, increasing the access to credit and the need for regulatory reform. I also appreciate his understanding of the situation for young people because according to the National Youth Council of Ireland, Ireland has the second highest rate of youth unemployment in western Europe, with one in three young men unemployed, which represents a trebling of the figure since 2008.

Senator Cummins asked us to keep our comments for today short. I have one question and one proposal for the Minister. My question is very topical as it relates to the junior certificate

examination results. I know there has been a focus on mathematics, and in doing so I take the opportunity to congratulate my nephew who got an A in his honours mathematics paper and who single-handedly may have contributed to the upward trend. However, people have not focused on foreign languages. Some 12% failed ordinary level French, 8% failed ordinary level Spanish and 7.5% failed ordinary level German. Poor foreign language capacity will hinder job creation, especially in the emerging export-led markets and with the changing demand for the global economy, the focus having shifted towards Asia and the consequent need for graduates with, for example, Mandarin. Only one secondary school in Ireland teaches Mandarin as a foreign language subject. I ask the Minister to clarify the role he will play regarding education and whether we will actually join the dots.

I was very encouraged by what the Minister had to say about us needing to add to our exports and we need to put a foot on that export ladder. In preparation for today's debate I talked to representatives of a number of companies and I will now make what I believe to be an innovative proposal. I will give credit for this to a home-grown entrepreneur, Colm Lyons, of Realex Payments. Irish businesses need to get established in overseas markets, which can sometimes be achieved online, but more often it requires staff to relocate to set up offices. This can often take from 18 to 36 months. During this time local staff are typically recruiting others to train, after which they go back to the head office. Realex has asked several staff to move and while some have moved, many are concerned about the general state of things here and want to remain in their job in Ireland. The proposal is to have a scheme for Irish staff working abroad whereby if a staff member is assigned to grow the business in an overseas market, the company could accrue a bonus for the staff member that is paid tax free when the assignment is completed. It could be controlled, for example, by Enterprise Ireland, which would approve the company, the role and the individual against certain criteria. I believe this scheme would act as a great incentive for staff to be based abroad for a certain period of time and thus accelerate the growth of Irish businesses overseas. I ask the Minister to give the proposal serious consideration.

I conclude by going back to my children's rights background. Research in the UK and US has found a negative impact of parental unemployment on children and young people. For example, young people living in a workless household are more likely to have poor educational outcomes, including increased incidence of truancy and early school leaving. Therefore I believe the Minister's brief includes children's rights and I will be doing what I can to support his work.

Senator Jimmy Harte: I wish to share my time with Senators Landy and Kelly.

Acting Chairman (Senator Pat O'Neill): Is that agreed? Agreed.

Senator Jimmy Harte: I welcome the Minister, who I believe has the most important job in the Cabinet to regenerate the country and get people working again. If we were to compare Ireland to a car, it would probably be a good strong Volvo or Saab which has good infrastructure and is well built but we do not have the petrol to run it, which is how I regard credit. If credit is not available, regardless of how good our products and infrastructure might be, if people are not spending money then businesses cannot prosper.

I have read the fourth report of the Credit Review Office by Mr. John Trethowen. One item stands out where it states that the demand for SME credit remains unmeasured. It is of concern that we cannot measure it, unlike the UK which has a better measure of demand. We cannot trust what the banks are telling us because anecdotal evidence is that banks are offering, for example, €50,000 to a business that needs €100,000, which is of no use. That is an issue the Credit Review Office under Mr. Trethowen can pursue. The office comes in at the end of the

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cycle. In some cases a fledgling business might approach the Credit Review Office to get its views before going to the bank. The Credit Review Office might advise either that the business is wasting its time or that the bank should look at it and the business could come back to the Credit Review Office if it has a difficulty. From my experience of being self-employed and having a business of my own, I know the last thing someone wants to do is go to the bank. On many occasions the company's accountant does it or the business owner does it with his or her accountant. However, the Credit Review Office might have the expertise to review a business proposal and advise whether it thinks credit might be offered. The business owner could then go the bank with confidence because the Credit Review Office believed he was in the market for funding.

Senator Clune mentioned jobs in the digital sector. The report presented to us by the Digital Hub company stated £1 in every £5 spent by the British consumer was spent online and that there was a massive market for Irish business. I do not know what the top line of consumer spending in Britain is, but 20% of consumer business is a massive amount. As we speak the same language and have the same culture as the British, this offers an opportunity for Irish business to tap into that market which is embracing online marketing and purchasing more than we are. The Digital Hub company stated there was an opportunity to promote online business.

We have an opportunity to get the car back on the road with help from all relevant Departments. People must start to spend money they obviously have, but they need an incentive to spend. I wish the Minister luck in his portfolio.

Senator Denis Landy: I welcome the Minister. The enterprise boards and the new development companies in local communities are drivers of new business. I understand the Minister for the Environment, Community and Local Government is awaiting reports from all Departments on various functions that could be devolved to local government. Currently, while enterprise boards and development companies do excellent work, there is very little local accountability or visibility for the work they do. In the report to the Minister for the Environment, Community and Local Government I hope the Minister for Jobs, Enterprise and Innovation will include these as functions that could be devolved to local government to provide for democratic accountability and involve communities on a wider scale in the development of local businesses.

Senator Cummins referred to TalkTalk in Waterford. I heard some of the debate in the Dáil earlier and assure the House my contribution will be much calmer, but I am concerned about this issue. I am from Carrick-on-Suir, only 16 miles from Waterford. Around 130 people from south Tipperary are employed in TalkTalk. I heard the Minister speak about the matter on a number of occasions. He regretted the fact the company was leaving Ireland and only giving 30 days notice. There is a requirement to address the way companies can withdraw within 30 days, particularly those which were funded by IDA Ireland, as this company was. It was also in negotiations to receive further funding.

I would like a commitment from the Minister that he will pursue the matter of the upgrade of Waterford Institute of Technology. The Minister for Education and Skills, Deputy Quinn, has already given that commitment and it is included in the programme for Government, but because of the crisis in the south east, the word "pursue" must be replaced by "complete".

I am also concerned about the globalisation fund and the drawing down of funding for Waterford. Have we learned from the experience with Dell, when €22 million was allocated and only €16 million drawn down before the deadline? I would like to hear the Minister's thoughts on how that fund might be used locally in Waterford.

Senator John Kelly: I welcome the Minister and share his sentiments. Most of what he said concerned what we needed to do, but by now it is what we must do. Everyone knows we need to do something. I will pass on to the Minister another book my brother wrote, "*How? When You Don't Know How*". If the Minister does not know how, he might if he reads this book.

We met the Minister's officials at a committee this morning and I agree with Senator White; the Department has a greater role to play. If we asked 100 people on the street what Department of Jobs, Enterprise and Innovation officials did, they would not be able to say. There is a host of agencies, but no one knows where to go. Everything is media driven and all people are reading in the newspapers is that there is no hope. The Department must get into people's faces and let them know what is available, driving them back to work. There must be greater use of back-to-work schemes.

It was said to the Minister's assistant secretary that a money advice and budgeting service for small businesses would be a good idea. She said the idea had been floated in the Department, but these ideas are left floating for years. It is critical this one be dealt with immediately because small businesses are going out of business every day. An hotel in my local town that employed 40 people had to close because it was not able to pay local authority and water rates. They were small amounts, but they were big enough to shut down the business. The cost to the taxpayer of 40 people going on the dole at the same time is €840,000 per year. If there was a money advice and budgeting service for small business, it could discuss business plans with banks, local authorities and other agencies to keep people at work. If a business can continue to trade without paying its rates, we should take this into consideration.

Senator Feargal Quinn: I welcome the Minister. I was at the meeting of the Joint Committee on Jobs, Social Protection and Education and the senior civil servants made some strong points, particularly that it was not the Government's job to create jobs, rather it was its duty to create the environment in which jobs could be created. These are the messages I welcome because that is what we must do. We heard ideas being introduced by some Senators today, including Senator Mary White, a real example of someone who grabbed the opportunities and said if she could be released from the constraints, she would create jobs. Private enterprise creates jobs.

I had a very interesting night. RTE is sponsoring a programme in which Drogheda is being used as a setting. At a meeting of 200 people, an ideas summit took place. The question was what could be done in Drogheda to ensure it would be the town others looked to as an example. I am bringing up that matter because the innovation and enthusiasm shown by those 200 people, seated at round tables of ten, demonstrate how things will happen. The Minister can encourage such inspiration.

When I was in Drogheda some time ago, I talked to a man who had been unemployed for eight months. He had applied for a job the previous November but did not get a reply. He asked what else he could do. His belief was that was all he should do, apply for a job and rely on someone else to create it. We must instil a sense of innovation in people in Ireland. On my return from Drogheda I found two students at my door to tell me they had invested in equipment to clean cars and that they wanted to clean mine. They did a great job, for which they were well able to charge, but they refused to sit back and do nothing.

Some years ago I was in Russia, in Ekaterinburg, a very interesting place, a place where one can stand with one foot in Europe and the other in Asia and have a photograph taken. There was snow on the ground and my feet were dirty. When I returned to the hotel, a young woman asked whether she could clean my shoes for me. I replied that I had just arrived that day and did not have any Russian money. She said there was no charge. I had my shoes cleaned by this young woman and got talking to her. She said her father said she had to learn capitalism, enterprise and how to work. She had to learn English as well and that is what she was doing

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there. She had come into the hotel and received permission to clean shoes. She was looking for any sort of work to do. That is the kind of innovation we are going to encourage, as we are asking too much of the Government in solving these problems. The most the Government can do, as Senator Kelly and others have said, is to reduce costs and make sure we are more competitive.

I looked at some figures. This summer the European Commission published an innovation Union competitiveness report covering all 27 member states and six associated countries. The report found that, in general, Ireland performed well in most indicators, reaching similar values to the EU average and that of the group of countries sharing similar research and innovation characteristics. However, there are other areas in which we need to pay more attention. Let us look at the level of inventiveness in the economy as measured by the number of patents which falls short in comparison with other countries in the European Union or other similar systems. Given that our number of patents is so low, can the Minister explain what steps he is going to take to encourage innovators to file patents here? There is an opportunity to do this, particularly in the food industry.

With regard to small and medium enterprises, we should be looking towards our strengths such as the food industry. Let us look, for instance, at the food innovation showcase which will be happening this month in New Zealand. It aims to welcome visitors from all over the world to see and explore New Zealand's leading edge food technologies, their companies and products. Let me cite one example of the innovation that will be on display. I had never heard of Flyhydrate. It is the world's first scientifically formulated three beverage system designed to counter the major stresses of long-haul flying and will be launched at the event. This is an, as yet, unseen product that will be a global first in the marketplace and will benefit both airline crews and passengers. The drink is the culmination of 18 months of research collaboration between teams from the University of Otago's school of physical education and department of food science. They worked together with leading nutritionists. The New Zealand Ministry of Science and Innovation which invests in businesses is growing New Zealand's economy through science and innovation. It has co-funded this drink's research and development. We can do so much in this area.

I had a very interesting lunch today with an American and some Irish colleagues in his company. I should declare an interest. My son is involved with the company, IdentiGEN, which developed a process at Trinity College, Dublin, for the traceability of beef and other animals. I worked on this issue ten years ago in our own company. The process has been initiated in the United States. The opportunities for such scientific technology are huge and we must find a way of developing it. The process is based on DNA traceability and does not involve paperwork. The work is done on computers and cannot be fooled with.

I have referred to the opportunities New Zealand and other countries have taken. This month *The Irish Times* highlighted the success of the Cheestring, one of the Irish food industry's greatest success stories. It has had worldwide success to the tune of €80 million and keeps a factory in County Cork running 24 hours a day, five days a week. Kerry Foods cheese marketing director, Mr. Denis O'Riordan, gambled €4 million on the product — or perhaps £4 million at the time -and it paid off. Unfortunately, too few people are taking these gambles. We must encourage people to take chances and do what they can. Kerry Co-op became a global company when it realised some of its supposed waste products which it had to pay to dispose of could be transformed into valuable products. Other companies can gain inspiration in this regard.

Scotland is also putting innovation in its food industry at the very heart of economic recovery. The Scottish Government recently provided £30 million in awards through its food processing, marketing and co-operation grants scheme. It is actively supporting innovation in the food

industry. One of our problems is that we imposed a deterrent — one could almost say a ban — on genetically modified products. We should be willing to see that there are opportunities in this area and that we cannot stay behind. The world's population is growing dramatically and other countries are using more modern scientific technology. We have almost said we will have nothing to do with this. We must encourage Europe to change its attitude, but we must also change ours.

Innovation is available to us, but it is up to us to do it. The Minister must loosen the strings and give us the opportunity to do so. I know his heart is in the right place. We must make sure we encourage innovators to adopt the most modern technology and achieve what they can achieve.

Senator David Cullinane: I welcome the Minister. I join Senator Cummins in supporting the 575 people in Waterford who have lost their jobs in TalkTalk. I attended a meeting with the Minister earlier this week when we had a discussion with public representatives on ways to support the workers, Waterford city and the south-east region. I also express my disdain for the way in which the company treated the workers. I do not believe the Government was responsible for the job losses. I will give an example to show how badly the company treated its staff. It was negotiating with them on improvements in pay and bonuses which were to be introduced in October in full knowledge that they were to be let go at that time. This is an example of the contempt the company had for the workers. It is absolutely shocking.

There was much concern about the 30 days notice given to the employees. That is the minimum requirement. I ask the Minister to examine this issue with a view to putting new legislation in place to compel companies to give 60 or 90 days notice in order that a similar situation does not arise. We must not simply cry crocodile tears about the workers at TalkTalk. We must ensure this does not happen again.

Senator Cummins has spoken very well about the jobs that have been lost in Waterford and the south east during the last ten years. The south east has taken very heavy hits and lost many jobs. I link this issue with innovation. Waterford and the south east are a perfect example of an area that was overly dependent on foreign direct investment and manufacturing. This has meant we have not had a sufficient level of interest in innovation and entrepreneurship which has left the region exposed. The loss of jobs in manufacturing has left a huge vacuum and a crisis, with too many people out of work.

I ask the Minister to consider what can we do. We all accept that there is a difficulty in supporting small and medium enterprises in the export sector. We all know that we need to move away from dependence on foreign direct investment, that for whatever reason the south east is not getting its fair share of employment, and that companies are not locating there. It is interesting to note that when the Minister went to Waterford, he spoke about the need for a strengths and weaknesses analysis of why this was happening and for agencies to come up with proposals to counter some of these problems. A similar problem arose in 2001. Senator Cummins spoke about Strategy Waterford. At the time the Minister for Enterprise, Trade and Employment, Ms Mary Harney, also spoke about the need for a strengths and weaknesses analysis and to direct enterprise agencies to examine the reasons companies were not locating in Waterford, yet we are here ten years on and the problem is worse for the people of Waterford. We need to foster a culture of innovation in order that people can create the jobs that they want to create. I will provide a few examples in this regard.

The digital media hub in Dublin is very good. I chair a working group of the city development board in Waterford, the "Doing it for yourself" working group. It was set up by the city manager to look at bringing people together such as entrepreneurs, those involved in the third and fourth level sector as well as the community sector to see what jobs we could create, the things

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we could do for ourselves and bring to an end the dependence on the Government. One of the things we looked at was the need for a digital hub in Waterford to bring together people who have skills in gaming, animation, programming, design and so on. They would have a place to work in together to sow the seeds of future employment. These are the innovative proposals needed. Every time something like this comes up, the issue of finance and support from the enterprise agencies presents a problem. The Government could improve the position by bringing some of the enterprise agencies within the remit of local government. I know that this is something the Minister is examining. However, if we look at city enterprise boards and the enterprise departments of many local authorities, they simply do not have the power or the teeth to do enough. I have always said local people are best placed to solve the problems.

We have had numerous discussions in Waterford in the last few years about how we can kick-start the local economy, how we can change things and how we can get people back to work. We have suffered job losses at Waterford Crystal, Bausch & Lomb, GlaxoSmithKline and all the other companies mentioned by Senator Cummins. Many spoke about the dependence on manufacturing which meant that people went from secondary school into these jobs. This meant that the drive for entrepreneurship was absent. That is possibly one of the reasons we do not have such skills in Waterford and this kind of opportunity is not available. One of the ways we can deal with this is to have proper enterprise modules in secondary education. We have to foster among young people the need to be creative, to think outside the box, to know that they can make it, that they can establish businesses and receive support. The Government should support young people especially and give them opportunities, the tools and the power they need to create the jobs of tomorrow.

I spoke about graduates. We have a wonderful facility in Waterford, the Waterford Institute of Technology. We also have the TSSG which does huge amounts of work. We have people coming out of it who are experts in programming, animation, gaming and so on. However, do they have the entrepreneurial skills required? Do they have the business skills needed to be able to set up businesses? Are there links between graduates and business people? Are we marrying all of this to make sure that can create the indigenous industries that we want to create? Instead, in recent years, many of those talented people have moved into the multinationals and there has been an internal brain drain. What we need to do is to empower many of the peoplej concerned to create the jobs of tomorrow.

I cannot let the Minister go without mentioning the need for a university in Waterford. This issue was also raised by a previous speaker. We cannot accept second tier status or a name change. We need Waterford and the south-east region to be in the top tier of third and fourth level education. A technological university, which would simply involve a name change, would not be enough to deal with the disadvantage from which Waterford and the south-east region have suffered for far too long. What does Waterford and the south-east region have to do to get what we deserve as of right, a university for the people and the business community to ensure there will be a level playing field? What are the criteria to be used? What does Waterford Institute of Technology need to do to become a university? No one is telling us. We are talking about a process, at which experts are looking. Will somebody, please, tell us what more we can do? Huge investment has been made in Waterford Institute of Technology, yet, for some reason, political or otherwise, the required decisions are not being made. The people of Waterford and the south-east region will not rest until they get what they deserve, a university for the south east. I call on the Minister to put the focus on Waterford and the south-east region and make sure we act this time, rather than leave reports lying on shelves, as occurred in the past.

Acting Chairman (Senator Pat O'Neill): As this is one of the new format sessions which I thank the Leader for introducing in the Seanad, I ask the Minister if he wants to reply briefly to some of the questions raised. We will then have a question and answer session during which each Member will be limited to asking questions for one minute. We do not want statements but questions to the Minister, to which he will reply.

Deputy Richard Bruton: A number of points were made about the Department, that it needed to be more motivated and out selling. We are developing our new strategy. There is a requirement to develop it in the six months of the life of the Government. There is a recognition internally that the Department has not been boxing above its weight and that it needs to do so.

I agree with Senators on most of the issues raised. I should devote some time to dealing with the situation in Waterford. We have discussed the issues raised by Senators Cummins and Cullinane. The idea of upping the 30-day notice requirement with a new regulation has been mooted, but that is not really the way IDA Ireland has dealt with overseas companies. It has not been built on the setting of many regulations with which companies need to comply, rather it has been done by developing a relationship whereby there is normally a long advance notice requirement and a proper planning process. IDA Ireland is given a chance to give its best shot if a commercial decision is taken to find alternative buyers. On the back of experience, bad and all as it has been, I would not recommend that we walk away from this model which has stood IDA Ireland in good stead. It is regarded as being very professional. People do not co-operate with it because of some list of obligations set out in grant conditions, but rather because that is the way they do business. I do not want to get into adopting a different approach.

I acknowledge what the two Senators said about Strategy Waterford and that it has not delivered. I have included specifically a reassessment of what has happened with the strategy as part of this process. There are many things previous Governments did not do. We have to build on what we can do, having looked at the tangible initiatives we can take. I thank people for their contributions.

The need for a university or a technological university has been raised. The programme for Government is very clear on the issue. We want to explore the notion of establishing a technological university which it is believed would add significantly if developed. I do not have the criteria to hand, but I understand they have been developed and that there is a consultative process ongoing. From an IDA Ireland or Enterprise Ireland perspective, we are talking about having the right skills and the right research clusters in place. To be fair to WIT, it has been doing this. It is upping its software engineering courses. It has significant clusters of strengths in the areas of advanced materials, telecommunications, pharmaceuticals and so on. It is doing the right things, but perhaps more needs to be done, or we need to market them more effectively to companies which can match them.

There is another process dealing with the education element but not in my Department. I want to work with the elements to be found in my area. We will be sitting down with WIT and Waterford City Council to see what is being offered.

Is it being effectively marketed? Are there weaknesses in it and how do we address them?

I would be interested in an ideas summit, an issue raised by Senator Quinn, and have heard that such a programme is being developed. We need to encourage such local inspiration. I will, on foot of the Senator's comments, examine whether we can lend support to any such initiative.

A couple of Senators asked whether local authorities should have more control of enterprise agencies. It is important to have a clear enterprise strategy driven from the Department. I want to ensure there is a local point of contact and coherent access to whatever level of support or

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ambition enterprises may have. Criticism has been made that companies which hit a ceiling with the county enterprise boards are finding that the bottom rung of the Enterprise Ireland ladder is out of reach. I do not want to see such a gap. While local accountability is good and I am fully in favour of State agencies being accountable at local level, creating new structures or replicating bureaucratic structures across every local authority would not be a good route to take.

Senator van Turnhout specifically suggested providing a form of tax incentive for companies which place Irish people overseas. I presume this would take place in the context of an export drive. Enterprise Ireland supports graduate placement overseas and matches graduates with companies, although this is a direct rather than tax driven support. While there may be scope for movement in this area, I am not sure about taking the tax route. Tax breaks are correctly viewed as being a less visible way of giving a subsidy. Some of the tax breaks we provided for worthy things ended up being exploited for unintended purposes. I am, therefore, a little wary of tax breaks and believe we should, as they say, do this above the line. If there is a worthy marketing effort, we should seek to support it. However, I am not ruling out the Senator's proposal.

Senator Harte raised the issue of credit and asked whether the Credit Review Office, CRO, could start the review process before a business submitted an application to a bank. This is not a credible proposal as the office is not a large bureaucracy but a one man band which contracts a series of individuals, on an hourly basis, to deal with cases. I do not know how many thousands of people Bank of Ireland and Allied Irish Banks employ. The head of the Credit Review Office is trying to create standards and establish protocols and ways of doing things, which is also what the Department of Finance wants to do. The CRO website includes advice on how to submit a bank application to ensure the relevant bank is forced to respond in a manner that can be appealed. This the route to take.

Senator Harte also correctly noted that demand for credit was not measured. The Minister for Finance, Deputy Noonan, is doing an exercise in respect of Allied Irish Banks to obtain a broader measure of the number of requests being submitted. This figure is not trapped statistically at present. The Senator will, I am sure, be interested in the outcome of this exercise.

I am not doing justice to Senators, but I will try to respond to any further queries they may have.

Acting Chairman (Senator Jillian van Turnhout): I have a list of speakers who will each have one minute to ask questions.

Senator Cáit Keane: The provision of jobs is the most important issue facing the country. The Minister referred to support structures for microenterprise in the same breath as start-up companies. If a company has been in existence for more than five years, it is precluded from applying to Enterprise Ireland for anything. As a result, companies with five employees which seek to expand are debarred by Enterprise Ireland from securing a further leg up on the ladder. Such companies are too large for the county enterprise board and too small for Enterprise Ireland. The latter will not take an interest in them and its facilities do not cater for them. What will the Minister do to assist microenterprises which may have been operating for five to six years and may have fewer than ten employees, the cut-off figure for Enterprise Ireland assistance?

Businesses with five or six employees which have expanded into Britain, our nearest neighbour, do not receive much assistance. A group of UCD alumni brings together businesses and

is meeting this week in the House of Lords. Could we start up clusters for companies which expand into England?

It has been brought to Senators' attention by the National Recruitment Federation that the implementation of what it describes as the gold plated directive on agency workers would result in the loss of 8,000 jobs. Will the Minister examine this issue?

Senator Thomas Byrne: On the subject of universities, Waterford should be careful about what it wishes for because changing the name of Waterford Institute of Technology to Waterford University could become a joke. As the Minister outlined, the city would be better off working with what it has and trying to improve it. I would, therefore, be careful in that regard.

The Government's jobs initiative has one serious flaw and it is the issue that concerns me with regard to any plan to sell off State assets. The flaw is its lack of a business plan to show how the initiative will work, including the number of jobs to be created in each sector and how it will be transformative. I will support any initiative to create jobs. Several years ago I privately advocated to the former Minister for Finance, the late Brian Lenihan, the sale of the national lottery to generate funding to build schools. This is an excellent suggestion as there is no reason the State should run a lottery. However, one cannot start selling off State assets and then start pumping out grants and funding in the hope jobs will be created. One needs a detailed business plan indicating what sectors should receive money and setting out the reasons for providing funding. This is not the case with the jobs initiative. For example, the VAT reduction in certain sectors has not been passed on in all cases. Moreover, pensioners who used to work in Tara Mines in my county protested outside the Houses yesterday about a 10% cut in their payments. The initiative has not produced any benefits in terms of jobs. I hope there will be benefits, but it lacks a business plan setting out in detail how the initiative will work.

Senator Darragh O'Brien: Having not yet had an opportunity to do so, I congratulate the Minister on his appointment. I have no doubt he will do well in his new position.

Given that we all agree that the horticulture and food sector is an important driver of economic recovery, why is the Government permitting Teagasc to close its horticultural research institute in Kinsealy, the only one of its kind in Ireland?

Why did the Government not publish the advice it had received prior to the introduction of the levy on private pensions? Why were members of other political parties required to seek information on this advice through freedom of information requests?

Deputy Richard Bruton: As some of the questions asked are well beyond my remit, I am not in a position to answer them.

I acknowledge Senator Keane's point that there is a gap in enterprise support. One of our ambitions is to have a more seamless system. We cannot support every company in the light of resource implications. However, companies with potential for expansion should not be debarred from receiving support simply because they do not pass some pre-qualification test. To be fair, the threshold of ten employees to which the Senator referred is not being applied to companies with export potential. Enterprise Ireland is taking a more flexible approach to the efforts of smaller companies which have export ambition.

The transfer of agency workers Bill will transpose an EU directive. It is unusual in that it gives the opportunity for the social partners to agree among themselves on certain terms, derogations or flexibilities. The State is obliged to introduce the terms of the directive but the social partners can negotiate certain flexibilities. I have convened the social partners to determine how that can be done. Obviously, there are different views on this on both sides of social

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partnership, so it will be difficult. This is an EU directive which has a transposition date, and Ireland is obliged to introduce it. There are flexibilities in it. We must be conscious of our employment situation in applying the rules under it and give ourselves some scope.

It is correct that there must be a business plan to underpin the sale of State assets. In addition, as Senators probably know, there is an obligation under the EU-IMF programme to generate revenue from the sale of assets. The Government is considering the development of certain options and analysing other options for fulfilling that obligation. Some of these options are the subject of discussion in the other House. Clearly, each of these must be explored in detail, but the Ministers concerned believe that the options that have been spelled out are the best way, and sound business analysis has been done on why these are being put forward. Obviously, Senators need to take this up with a Minister who will give them chapter and verse.

I was asked whether a cost-benefit analysis was done on the jobs initiative. To an extent, there was. If we cut employer's PRSI, the ESRI can provide an analysis of the likely impact in the short and longer term, and we can rely on that. Part of the jobs initiative was also to advertise the fact that Ireland is open for business and that we want to reduce the cost to employers of taking people on. It is about building confidence. There was sufficient cost-benefit analysis to say that a cut in the lower rate of employer's PRSI was a worthwhile thing to do. We will never be able to say with any degree of accuracy that X thousand jobs were created by it. What I am hearing is that it has been significant, particularly in sectors related to tourism, which was what it was geared at, and that it has helped companies that were otherwise under severe pressure to develop new offerings.

Senator Thomas Byrne: I hope it will show up in the live register.

Deputy Richard Bruton: One can analyse oneself into paralysis. There is an element of risk taking involved in governing, when we must choose which of a menu of options to implement. An initiative such as JobBridge, which puts young people into internships, is a win-win situation. I do not know what analysis one could apply, but I would be happy to do it on the back of an envelope to show that it is a good thing. Politically as well as economically, it makes sense to take people who have no experience and give them some. The typical catch-22 situation is that one is looking for a job with no experience, but one cannot get a job without experience. This initiative gives people nine months' experience. It puts them in the shop window. In many cases, with the companies I know that have come forward to participate in the scheme, they will take the interns on if it works out. There has been sufficient cost-benefit analysis to show that these are sound judgments. That is what the Government is for. We employ analysts, but then we must make decisions. I stand over those decisions.

The issue of the pension levy has been dealt with often by the Minister for Finance, Deputy Noonan, in the House. There is no tax that people like. It was a former ESRI man who said something to me that I will always remember: "To love and be wise, as to tax and be loved, is not given to many." It is very true. There is no tax one could introduce that would make people jump up and down and say: "More of that, please." However, we need tax to fund initiatives to kick-start enterprise.

I am aware of the issue of horticulture in Kinsealy, but it is not part of my remit and I am not in a position to——

Senator Darragh O'Brien: I was asking in the context of research. I know the education side is not there.

Deputy Richard Bruton: It is to do with agriculture, so it does not come under the remit of Science Foundation Ireland.

Senator Darragh O'Brien: I did ask specifically why the Government did not publish the advice given to it by the Department with regard to the imposition of the private pensions levy which is funding the jobs initiative.

Deputy Richard Bruton: I must say I do not have the answer to that, but I think it has been answered in the other House.

Senator Darragh O'Brien: Not really.

Deputy Richard Bruton: I am sure I can get the answer for Senator O'Brien.

Senator Michael Mullins: I will keep it brief. I welcome the Minister, who is off to a great start. We all want to see him take more risks, because the crisis we are facing is of such enormous proportions.

The county enterprise boards in most counties — certainly in my own county of Galway — have made a valuable contribution to job creation and getting people started in business over the years. There are lots of fine young people who are unemployed but have lots of skills, and who certainly could create jobs for themselves and maybe for one or two others. There is a concern that the county enterprise boards are underresourced at the moment and that staffing is an issue. What are the Minister's plans in this regard? Does he intend to provide resources to the county enterprise boards either in their present format or under some other body? We need to be pumping money in there.

My second question is about access to finance, which came up this morning at the all-party committee. Every small business trying to access finance is facing difficulty, yet at the same time we hear that there has never been so much money lying in the banks in the form of savings. Is the Minister considering ways of encouraging people to invest some of their savings in job creation projects? I know the business expansion scheme is available. We need to encourage people, in our hour of need, to start thinking about our country and invest their money in job creation projects.

Senator Mary M. White: It would be fatal to put the county enterprise boards under the aegis of the local authorities. I do not see why Enterprise Ireland cannot deal with companies with fewer than ten people. It has worldwide experience. That would be the right decision to make.

In the context of our attempts to develop an entrepreneurial culture, it is a serious issue that the owners of companies that go out of business are not entitled to social welfare benefits. It is a complete contradiction to try to develop an entrepreneurial culture with no welfare benefits for people whose companies go out of business.

On the issue of personal guarantees, the banks are devious in their behaviour with regard to giving money to companies.

Acting Chairman (Senator Jillian van Turnhout): Does the Senator have a question?

Senator Mary M. White: They are asking for personal guarantees. They are leading people up the garden path and when they get to a certain point, they want personal guarantees. The Minister will have to deal with that.

The previous Government, which included my own party, failed to deal with Waterford. I pleaded with it to grant technological status to Waterford Institute of Technology. It is no big

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deal. We will give it the title and build it up over time. Galway city never had a recession, either in the 1980s or now, because of the university there. Dr. Ed Walsh built up the University of Limerick and there are tremendous opportunities for people there. Waterford is in dire need of a technological university. I am pleading for it. I must criticise my own party also for its failure to save Waterford Crystal. It was pathetic that it failed on both those issues.

Senator David Cullinane: The dreaded city council did it.

Senator Mary M. White: The previous Government failed to support Waterford Crystal. It is imperative that the people of Waterford are given this chance. I was part of the campaign to designate Waterford IT as a technological university.

Acting Chairman (Senator Jillian van Turnhout): Senator White, I will not be able to bring in all speakers on the debate.

Senator Mary M. White: I thought everybody had spoken.

Acting Chairman (Senator Jillian van Turnhout): No. I have a list here and we have one minute left.

Senator Mary M. White: The status of Waterford IT is a key issue at the moment. We need to make up for the failures of my own party with regard to Waterford Crystal. The Minister listened on the Hunt report.

Acting Chairman (Senator Jillian van Turnhout): I call Senator Cullinane.

Senator Mary M. White: Can I just make a point on behalf of the county——

Senator Maurice Cummins: Senator White has had her minute.

Senator Mary M. White: The Minister for Education and Skills listened on the Hunt report. My view is that politicians make the decisions. They might read the report and assess it, but they make the decision.

Senator David Cullinane: We need a joined-up approach and seamless working between the local authorities and enterprise boards. We do not have that at present. If we look at the development boards across local authorities, we see that all the players and stakeholders are there, but what is missing is the desire for local authorities to be able to deal with enterprise. It would be a good thing for the local enterprise boards — not Enterprise Ireland, but the boards — to come under local government.

I have four quick questions for the Minister. He said IDA Ireland is considering new strategies to support the SME sector, especially in exporting. Will he give us a flavour of what is being considered? There is potential in digital media, including animation and gaming. The digital media hub in Dublin has encouraged the Government to put in place strategies to encourage business to go online and use online services more. That has the potential to create jobs in itself, but there is also potential in animation, gaming, e-commerce and e-health. What strategies are being put in place for those areas?

On youth unemployment, far too many young people are out of work and people are emigrating. We need specific, targeted policies for getting young people work, because they make up the bulk of the people who are out of employment. Graduates coming out of our universities do not have employment. What strategies are the Minister and the Government considering to target youth unemployment?

How can the education sector encourage innovation by young people? Can more be done in second level education? Can more be done in the transition year to encourage more young people to think outside the box and be more creative? The young scientist of the year competition is good, and it could and should be replicated in the enterprise sector. I ask the Minister to consider that, because there is scope to encourage more young people to see entrepreneurship as an option and an avenue for them.

Senator Maurice Cummins: We have the Leader programme, partnership boards, enterprise boards and development boards. What is the Minister's view on the development of a one-stop shop under local authorities for those bodies, or their amalgamation?

Acting Chairman (Senator Jillian van Turnhout): I ask the Minister in the few minutes left to try to address the questions my colleagues asked.

Deputy Richard Bruton: On the budget restriction on county enterprise boards, to be fair, the boards know their budget for the year and they have to stick within it. There has been a tendency for some of them to spend their allocation in the first quarter of the year, and that is not an ideal way in which to proceed. There was an issue with some money towards the end of last year, which might have resulted in front loading. I will certainly review the funding, but we are all under strict budget restrictions. If there is scope for releasing money for good projects we will try to do that, but it would only be later in the year when we have seen how the funding is working out. As members know, we have to hit stringent budgetary targets.

The initiatives on access to finance are about encouraging banks to lend. They include partial loan guarantees and the development of alternative lending mechanisms such as microfinance. On tax incentives for savers to invest in business projects, the previous Government redeveloped the business expansion scheme. It still awaits sign-off by the European Commission on state aid rules, but it is there. We can consider the matter in relation to the forthcoming budget if there are issues, but the fact that it has not got out of the traps yet may mean that there are some difficulties in resolving issues in the area.

There was a perfect contrast between Senator White's comment that it would be lethal to bring county enterprise boards under local authorities and Senator Cullinane's comment that it would be excellent to do that.

Senator Mary M. White: It would be lethal. Local authorities do not have a clue. There is experience in Enterprise Ireland.

Deputy Richard Bruton: The solution is not to put responsibility for enterprise support into local authorities, but more what Senator Cummins mentioned — to have a significant one-stop shop where people can go to access not only the enterprise network, whatever that is, but other functions. I understand that business development units in local authorities help to steer people through the planning and licensing processes they operate. That is a useful service. I do not see the need for an institutional merger. If the services are located in offices that are not too far away from one another, we do not need to create a merged structure to get people to talk to one another. My ambition is for a good, coherent microenterprise service to be delivered nationally — it should not be different in each place — that works to a high standard in mentoring, training and whatever other services it delivers, and that has proper connections to what is being done in the localities.

To be fair to Senator Cullinane, there seems to be a breakdown in collaboration or communication between some of the local authorities and some of the agencies in the Waterford area, and we will certainly look at that.

Senator Mary M. White: That can be resolved easily enough.

Deputy Richard Bruton: It is an area of weakness. There are different ways in which to support small companies on export. Mentoring by experienced people is a worthwhile exercise. Enterprise Ireland has graduate placement programmes in which it puts people into markets such as China or wherever and there are companies to which they are aligned. There are also trade missions. There are various tools that we can use. However, I seek for Enterprise Ireland to develop that work, because it is not good enough for only 38% of indigenous output to be exported. We need to increase that percentage, which has been static, and penetrate new markets. The growth markets are not in the UK but elsewhere, and we need to see how we can get a foothold there. There is much work to be done in that area.

I like Senator Cullinane's idea of a youth enterprise competition to mirror the young scientist of the year competition. We need that. He also mentioned the lack of entrepreneurship in schools, and it is clear that there is a gap.

The point made about the owners of companies being excluded from welfare is true. The social insurance contribution of a self-employed person is not the same as the combined employer and employee contribution. An employer and employee pay 15% whereas a self-employed person pays 4%. The 4% does not buy the same rights as the 15%. The Minister for Social Protection is considering the issue in the context of the commission she has established on welfare and tax interaction, so——

Senator Mary M. White: From what the Minister said in the Dáil, it seems to be low on her list of priorities.

Deputy Richard Bruton: Part of the issue is funding. Perhaps we should consider a halfway house to give people who start up at least the security of a certain number of years of cover to help them on the difficult journey they are on. Personal guarantee demands can be appealed to the Credit Review Office. There is a pattern, but they can be appealed if they are thought to be unfair.

I do not want to speak out of turn on the Hunt report and Waterford, because the area needs to be developed by the Minister who is responsible, but WIT is doing worthwhile things and there is scope to develop some of them. Like Senator O'Brien, I would like to see that happen. Let us develop what is working. I am not saying that the issue is not important. It is obviously important, and every Senator who spoke mentioned it. Deepening innovation is clearly important, but we need to consider practical steps. We can get into institutional engineering as the be-all and end-all, but organisations can become obsessed with the restructuring process and do nothing while it is going on. It is about policy and getting the system to work in delivering it. If it is more sensible at local level to have Leader programmes, development boards, business development units and county planning teams to work together, it is a task for the local authorities to get right. I want to get right the high quality support to microenterprise while collaborating in a sensible way with local government to assist with that role.

Acting Chairman (Senator Jillian van Turnhout): I thank the Minister and I thank my fellow Senators for working with me in this debate on innovation at the heart of the jobs challenge. We have explored some important issues and I noticed the Minister took copious notes. I hope we have aided him in his work.

When it is proposed to sit again?

Senator Maurice Cummins: At 10.30 a.m. tomorrow.

Adjournment Matters

Health Facilities

Senator Averil Power: The statistics on eating disorders in Ireland are alarming. According to the mental health strategy, *A Vision for Change*, up to 200,000 people may be affected by eating disorders and an estimated 400 new cases emerge each year. There are, however, fewer than 20 beds available to treat patients with eating disorders between St. John of God Hospital, St. Patrick's Hospital and St. Vincent's Hospital. There are long waiting lists for these beds.

Apart from leading to major health problems such as cardiac dysfunction, osteoporosis and hypothermia, the mortality rate from eating disorders is high. According to *A Vision for Change*, 80 people die every year from eating disorders in this country. As the *American Journal of Psychiatry* has highlighted, the aggregate annual rate of mortality associated with anorexia is 12 times higher than the annual death rate due to all causes for females aged between 15 and 24 and more than 200 times higher than the suicide rate of females in the general population.

The programme for Government agreed by Fine Gael and the Labour Party states the Government is committed to reducing the stigma around mental illness, ensuring early and appropriate intervention and vastly improving access to modern mental health services in the community. The need for vastly improved services for people with mental health problems, including eating disorders, has been recognised by the Government. I was therefore genuinely surprised last week, upon visiting the Lois Bridges centre in Sutton and seeing its excellent facilities and the programme the clinic director, Teresa Moorhead, has put in place, to hear the HSE is not fully utilising the service and that none of the private health insurers have agreed to cover it.

Lois Bridges is the first non-hospital based dedicated residential care facility for people with eating disorders in Ireland. It opened in February 2010 and has six residential beds and offers care on a seven day a week basis, focusing on treating the reasons behind an eating disorder. The team includes practitioners in psychiatry, psychology, psychotherapy, medical professionals, nurses, social workers, family therapists and dieticians. It covers every angle of support a person needs. As well as residential facilities, it offers a comprehensive outpatient service and aftercare of up to a year for each individual.

It also focuses on supporting and educating a person's family, a service that hospitals often fail to cover. It is important because the patient who goes home needs a supportive environment where those who are important to the patient know how to help him or her, especially if he or she falls back.

Lois Bridges has been approved by the Mental Health Commission. It has been inspected three times so its status is the same as hospital-based facilities. By taking the holistic approach I have outlined, it not only treats the symptoms of the eating disorder — weight loss and associated health problems — it also treats the causes, particularly psychological and emotional causes. As the director explained, many people with eating disorders have had some major trauma in childhood such as sexual abuse, bullying or low self-esteem. Focusing simply on food and calorie counting diverts from dealing with the underlying problems and fails to address the long-term risk factors the patient will face at the next emotional upheaval.

The non-hospital based nature of the centre is crucial. Hospital-based services are important but as eminent experts in the area have pointed out, they also have serious deficiencies. Some of these were highlighted in an excellent article in *The Irish Times* in which Professor James

[Senator Averil Power.]

Locke, the director of the Stanford child and adolescent eating disorder programme of California, pointed out that a person with an eating disorder will gain weight during inpatient care in hospital, which is the immediate medical priority, but once he returns to his home programme, the patient will lose most, if not all the weight he gained in hospital. He has found the patient will gain 20 pounds in hospital but the majority will lose two thirds of this within a few months of returning home. The cost of hospitalisation is enormous and the benefits can be marginal. Lois Bridges, however, can offer a comprehensive service for less than the hospital-based services offered in the Dublin hospitals.

When I was with the director last week, she went through a number of personal stories with me. She outlined the cases of people who are on long waiting lists for places in the hospital and have been told they will have to wait for months. If one had a physical injury like a broken leg, one would want to be in an accident and emergency department straight away. However, people with significant emotional and physical problems are being told they have to wait for months.

I do not understand why the HSE is not utilising this service fully. I appeal to the Minister of State, Deputy McEntee, to speak to the Minister for Health and urge him to ensure this service is availed of. The Government should use its influence with the health insurance providers to ensure they start to cover this service. It takes huge courage for people with mental health problems, including eating disorders, to put their hands up and ask for help. Some people have taken that step only to find that help is not available without being placed on a waiting list. They learned that places were available at an excellent facility in Sutton and made the necessary calls, only to be told that funds were not available. That is genuinely a scandal. I hope the Government will do its best to change it.

Minister of State at the Department of Agriculture, Fisheries and Food (Deputy Shane McEntee): Before I read a reply on behalf of the Minister of State, Deputy Kathleen Lynch, who cannot be here, I would like to say I am delighted that this issue has been raised by Senator Power. I sincerely hope she does not let it drop. I am aware of the work being done by Ms Teresa Moorhead at the premises mentioned by the Senator. I appreciate that this is a massive issue in Ireland. I have been dealing with it through Ms Joan Barry and her parent support group. I am familiar with girls and young men who have had this problem. Along with my friends, I was able to support such people on a small scale in my former life.

Senator Power was right to say this massive and serious issue is not being dealt with properly. It was raised at our conference last week. I have discussed it with the Minister of State and her predecessor over the past two years. As we prepared to go into government, I worked with the previous Minister of State on this issue. I have no problem with saying the manner in which we treat this issue is totally outdated — it is 100 years behind the times. I expect that the statement I am about to read will not satisfy Senator Power. It sets out where we are today. I know from what the senior Minister, Deputy Fitzgerald, said at last week's conference that we will be tackling it.

I appreciate what the Senator said about the Lois Bridges centre, which is a short-term place. The way forward does not involve putting young girls into psychiatric units like St. Patrick's University Hospital. We need to use outpatient facilities and treat people in hospitals for short periods of time. I know several girls who have gone through Marino and into Lois Bridges. They have come out and gone on to get qualifications. The earlier the intervention takes place, the better. I know of cases involving girls as young as nine, ten, 12 or 13. There is no parish in Ireland that does not have a person with an eating disorder. Deaths have taken place. I have dealt with a family in which one girl has already died and a second girl is in trouble. This

issue has to be dealt with and it will be dealt with by people like the Minister of State and Deputy Neville.

I cannot say too much about the funding because I do not have the finer details. We cannot afford to wait before we provide assistance to centres like Lois Bridges. I know Ms Teresa Moorhead is away this week. We told her we would have good news of some shape for her. I am pleased that this matter has been raised by Senator Power today. She should take it from here and not let it go. I have spent years working on these services to get them to where they are today. It is ironic that this matter was handed to me this evening. I assure Senator Power that I will work with her day and night. She knows what it is like for the girls who are dealing with this problem.

I am pleased to be here today and to have an opportunity to speak about eating disorders. The national mental health policy document, *A Vision for Change*, sets out the framework for the development of mental health services generally. The HSE's services for people with eating disorders are embedded in community mental health teams and primary care. The HSE, with Dublin City University, has developed a mental health in primary care accredited training programme for primary care practitioners. The skills included in this programme are designed to enhance the capacity of primary care to recognise, assess and treat a range of mental illnesses within the primary care setting. As individuals with eating disorders frequently present themselves to primary care practitioners with complications of their condition, early intervention at this level greatly improves outcomes.

Community-based adult mental health services receive referrals from primary care and provide assessment and treatment to individuals with eating disorders. Child and adolescent mental health teams provide a similar role for their cohort of referrals. If the individual's psychiatric or medical needs are more acute, inpatient admission is offered within the local psychiatric services or acute medical care where necessary. Following the recommendation of the consultant psychiatrist, the HSE can and has worked with service providers in the independent sector. I know that has happened in some cases, but it does not happen often enough. The HSE and the independent providers have made specialised care available on an inpatient or outpatient basis. The Senator is familiar with centres like that in Marino.

In a limited number of cases, referrals to specialised eating disorder services in Dublin or the UK can be clinically recommended, and supported in appropriate circumstances, subject to the necessary resources being available. In a case in which a person was at death's door, the former Minister, Mary Harney, provided funding for that person to go to the UK. I would like to remember her on that note. HSE child and adolescent acute inpatient units provide evidence-based treatment to young people who require a period of admission by providing multi-disciplinary care with dietetic input. Liaison child and adolescent mental health services in paediatric hospitals provide a specialist input during the young person's admission and coordinate a treatment programme that may involve admission to a child and adolescent inpatient unit, or interventions provided by the community child and adolescent mental health services.

The HSE also provides funding to Bodywhys, which is the main voluntary organisation that offers services to people with eating disorders. Bodywhys provides a range of supports to health promotion departments throughout the HSE. This interface provides welcome expertise from the user perspective. The situation with regard to services that are covered by private health insurance is that each private health insurance provider in the Irish market has the right to determine which health care providers they will cover for the benefit of their customers. Health insurers operating in a commercial market must choose the providers they cover. It is a matter for each insurer to determine how much capacity in any particular area is purchased by it to deliver the services required by its members.

[Deputy Shane McEntee.]

I assure Senator Power that despite the economic downturn, she and this House can be assured of the Government's ongoing commitment to the development of mental health services in line with A Vision for Change. I reiterate the thanks I have expressed to the Senator for raising this issue, which is on the Government's agenda and is being dealt with by many people in various Departments. The Senator and I are aware that centres like Lois Bridges could be closed by Christmas. I have no problem saying that such a move would be a death sentence. I do not care who argues with me. The manner in which we are treating this problem at the moment is totally unacceptable, is not the way forward and has to change.

Senator Averil Power: I thank the Minister of State for his genuine and honest comments and for the work he has been doing on this issue. Ms Teresa Moorhead told me that the Minister of State has been supporting this facility for a long time. I hope he can convince his colleagues that it needs assistance. Ms Moorhead has told me that it could be closed by Christmas. I hope he can convince his colleagues to back him up. I thank him for putting aside the script for a minute and speaking from the heart. I appreciate that.

Farm Incomes

Senator Paul Bradford: I listened with interest to the matter raised by Senator Power and the response of the Minister of State, Deputy McEntee. If he can bring half that commitment and enthusiasm to the matter I am raising, we will make progress too. I am asking the Minister of State to report on the Government's current thinking with regard to the future of those who have traditionally been referred to as small farmers. Perhaps that is no longer politically correct and it might be better to refer to land owners with limited land, or something like that.

Earlier this afternoon, the House debated job creation in the presence of the Minister, Deputy Bruton. We all know the scale of the economic development difficulties that are being encountered throughout the country, especially in rural Ireland. We all know that the creation of jobs in towns and rural areas is crucial for the future of this country. Agriculture has always played a significant role in job creation and there was a time when not merely thousands, but tens of thousands of people, were employed on the land. Many of those worked full time on small farmers; others worked part time. It created a significant degree of economic activity across the countryside. Obviously, since our accession to the EU the position has changed from an agriculture perspective but the most recent figures would still seem to suggest that, on the basis of there being 120,000 farmers in Ireland, almost 60% of them have less than 30 hectares of land, and there is still a significant number who do not have vast land holdings.

It is important that we do not try to create a two-speed agriculture sector and set large against small. That certainly is not the purpose of my question to the Minister. However, it is opportune, because of the negotiations at Brussels on the future development of the Common Agricultural Policy, CAP, and the possible changes to agriculture support, to ensure that as far as possible we allow the maximum number of people to remain on the land.

It is obviously important that the larger commercial farmers are fully supported by Europe and the Government. Food production on this island is important, not only for Ireland but for Europe and the world. There is a growing shortage of food on the world market and there must be a significant role for the large commercial units and the large commercial farmers. We must support those people to the maximum extent possible.

Unfortunately, on the other side of the spectrum, because of bureaucracy, red tape and EU regulations, a large number of small farmers have left the land, have even stopped part-time farming and see no future for themselves or their families in farming. I hope the Minister of State, Deputy McEntee, and his colleagues in Government will commit themselves to ensuring

that we take whatever policy measures are required to keep the maximum number of those people farming. It is good, not only for agriculture but for rural areas from a social and community perspective. It is part of a big jigsaw. I merely ask that when the Minister of State and his colleagues make the final crucial decisions with our colleagues in Europe on the future funding of agriculture we will still see a role for those with between 40 and 80 acres of land, we will not say they have no future on the land and they are no longer deemed farmers, and we will put in place the measures and structures to keep as many of them farming as possible. That will pay for itself over and over again not only economically but socially and from a community perspective.

Deputy Shane McEntee: I thank Senator Bradford for proposing this motion. My senior Minister, Deputy Coveney, cannot be present to answer and I have a written reply here which I will read. I know from where the Senator is coming. It is on the agenda in both Houses tonight. The one good story out there at present is agriculture, but we cannot sit on it. Prices are good for the first time in several years and, whether one is a big or small farmer, people are getting a fair price for their product. With 2020 coming and the opening up of the doors for production, every acre of Ireland will have a productive use, whether it is in beef, dairy, organics, vegetables or whatever. The senior Minister states clearly everywhere he goes that, since I have been appointed to work with him, we have worked to ensure that all farmers will be well protected and that, in particular, farmers who want to produce food are the ones who will be supported most. There will be no one paid to stay at home anymore because the money is not there.

I am very much aware of the leaks as well. There are two sides to the story and there will be a winner and a loser in it. Now is the time to talk about it. I am sure by the time we take over the Presidency there will be a formula for it because we know how the IFA and the Opposition will keep the pressure on us. We, in Fine Gael, will be ahead of the posse the whole time. That is our intention.

I welcome the opportunity to deal with this motion. As the Senator is well aware, agriculture and the wider agrifood sector remain one of Ireland's most important indigenous manufacturing sectors. Agriculture and the continued viability of the country's 128,000 family farms is hugely important to our economy. It is central to the Government's plan for an export-led economic recovery. A major focus of my Department is to progress this objective. It also supports rural society and has a multiplier effect in terms of social, economic and environmental benefits throughout the country. To put this sector into focus, collectively the industry is responsible for some 136,000 jobs and has an annual output of approximately €22 billion with a significant export orientation running into several billion euros. Most telling, this sector represents 60% of manufacturing exports by indigenous firms.

Over the past year, this sector has performed particularly well. The Central Statistics Office figures show that aggregate farm income increased by 28% to €2,010 million in 2010, while the overall value of primary output increased by 12.2% or €22 million to €4,098 million. In 2010, exports of agrifood and drink increased by almost 11% and almost reached €8 billion. This was quite a spectacular performance and one which served to illustrate the undoubted potential of the sector. The good news story of 2010 has continued to date in 2011, with dairy exports increasing by 47% between January and May and exports for the overall sector increasing by 14% in the first six months of 2011. The net effect is that there is a definite air of optimism and positivism in agriculture and the wider agrifood sector.

We are continuing to work on several fronts to maintain the long-term viability of farmers. At EU level, we are working to ensure a well balanced system of agricultural policy. What is needed is a system which will make agriculture more sustainable, will have a focus on its

[Deputy Shane McEntee.]

contribution to supplying the food needs of the world and will also sharpen our farm sector's competitive edge. In a nutshell, our view is that the future CAP must aspire to the twin objectives of competitiveness and sustainability. Now, more than ever, we need to focus on ensuring security of supply of safe, high quality and sustainably produced food at reasonable prices for our consumers and with reasonable returns to our farmers and processors.

Senators will be well aware that the recent Commission MFF proposals were the result of detailed policy debates at EU Agriculture Council at which the Minister, Deputy Coveney, vigorously participated. The negotiations were augmented by a vast amount of informal discussion and analysis, at which there was active Irish participation. These detailed and intensive CAP negotiations are continuing at all levels. The aim is that they will be concluded during the Danish Presidency but there is every possibility that they will not be concluded until the 11th hour and as such will slip into the Irish Presidency in the first half of 2013. The negotiations on the future CAP are therefore of enormous importance for Ireland and the Government is continuing to work to ensure a properly resourced CAP budget which will serve the interests of sustainable and profitable agriculture and the wider agrifood sector.

At national level, Food Harvest 2020 was published last year. This is an ambitious but realistic strategy for growth in the Irish agri-food sector over the next ten years. It was developed in collaboration with the Irish agri-food sector and its delivery will be driven by that sector.

Food Harvest 2020 is playing a huge part in our national economic recovery and has been incorporated into our national recovery plan and in our 2011-2014 programme for Government. Food Harvest 2020 emphasises the need to enhance competitiveness, increase sustainability and improve marketing strategies to deliver on the growth potential in the sector. This message is encapsulated in the caption "Smart Green Growth".

The growth targets for 2020 set by the committee concerned include the following targets for primary agriculture and industry: increasing the value of primary output by €1.5 billion; increasing value added by €3 billion; and achieving an export target of €12 billion for the sector.

Significant work has been done over the past year by the high level implementation committee, which was established to progress these targets and the 215 action points in Food Harvest 2020. This committee, which is chaired by the Minister, Deputy Coveney, encompasses the Department and the State agencies: Teagasc, Enterprise Ireland, Bord Bia, BIM and the Environmental Protection Agency.

In July, "Milestones for Success" was published. This is the first progress report on Food Harvest 2020 and indicated that action had commenced on 63% of these 215 actions. In addition, "Milestones for Success" outlines more than 40 actions which the stakeholders will deliver over the coming year. It also sets out interim milestones for 2013 and 2015 to monitor developments. To ensure progress, the Minister has set quarterly targets which he will monitor at each of the high level implementation committee meetings.

Many of these targets are directed at helping farmers to improve their efficiency, competitiveness and financial viability. Among the wide range of actions mentioned in milestones, I want to pick out a few examples which give a flavour of what is being done to assist farmers become competitive and improve on their market returns, that is, Greenfield dairy project, the dairy discussion groups and the Bord Bia beef and lamb quality assurance schemes.

The Greenfield dairy project research involves a collaborative project between Teagasc, the Agricultural Trust, Allied Irish Banks and Glanbia to assist farmers to develop and expand their enterprises as the dairy sector moves towards quota abolition in 2015. Using real-time

data from a commercial farm, the project is providing a national blueprint for low-cost milk production. It allows farmers avail of online data on best practice on yields, finance, animal health, farm management and so on. This data is augmented by farm walks and is made available to all farmers through Teagasc's advisory network and the BETTER Farm programme.

Funding has been provided to support the establishment of dairy discussion groups to speed up the transfer of technology, knowledge and best practice. These groups place particular emphasis on the adoption of best practice with regard to grassland management, breeding and financial management. Available data indicates that participation in the groups has resulted in an average economic return of approximately €200 per hectare. The target for 2012 is to increase participation from 6,000 to 8,000 farmers.

The beef and lamb quality assurance schemes, in which more than 30,000 farmers participate, are designed to assist access to market and improve market returns to farmers. A new aspect of these schemes is the development and accreditation by the United Kingdom Carbon Trust of a beef carbon footprint model for Irish beef. This is being incorporated into our national beef and lamb quality assurance scheme and is the first such scheme to include environmental standards. During the next year it will be extended by environmental benchmarks on water and biodiversity as well as into other areas of the food chain.

I emphasise that these are just some of the actions which the Government is progressing to ensure the viability of farmers and all farming activities. Further details are available in the Food Harvest 2020 and Food Harvest 2020 Milestones for Success reports which are available on the Department's website. Since taking office, the Government has worked proactively to underpin the future development and prosperity of this vital sector and we remain fully committed to this task.

Senator Paul Bradford: I thank the Minister for his comprehensive reply. I commend the Minister of State and his colleague the Minister, Deputy Coveney, on the work they are doing. No doubt we will come back to the findings. We need to set aside a significant amount of time, debate and thinking to ensure the viability of smaller farmers. It is crucial to keep a balance economically and socially in the country and it should be one of the Department's priorities as we negotiate our way through the minefield of the CAP reform. I acknowledge the absolute necessity of keeping our commercial farmers large and strong but we must not ignore the 50,000 or 60,000 people whose land holdings are not great but who have a major role to play in food production and the maintenance of the fabric of rural Ireland. It is a matter we will debate further in the coming months. I thank the Minister of State again for his work in the Department and his great commitment and hands-on approach to agriculture.

Jobs Initiative

Senator Jillian van Turnhout: I thank the Minister for her presence. I put down this motion because I believe in internships. I realise there has been a good deal of criticism in the media in recent weeks about the programme but I believe in our having a national internship scheme. I am keen for the country to have an internship scheme because I have seen it implemented successfully throughout other European countries and the USA. It can be really positive. The reason behind the motion is my alarm at some of the placement notices which have been rewritten in recent days. They made me think again. For example, one referred to a dynamic self-starter willing to work on their own. For me, this is not what an internship is about. I decided to talk to various organisations, employers and people currently on the programme to try to understand what was at the nub of the problem.

The programme in Ireland is aimed at small, medium and large companies. Many of the larger companies have experience of internships probably from their home base in the USA

[Senator Jillian van Turnhout.]

or European markets. As a country we are not as used to internships. This has highlighted the need for employers to be given guidance on exactly what constitutes an internship programme and how to ensure the person placed on the programme gets the necessary induction and on-the-job training. Employers should give a budget towards training of staff as appropriate or attendance at conferences or seminars depending on what they are doing. The employees will have been unemployed for some time and they probably will have something of a buzz because they now have a place and are now a part of something important. That is great but it lasts only a few weeks. How do we ensure there is an incentive and for the nine months they have ongoing upskilling, training and sharing? I am keen to ensure that the training programme is monitored. I welcome the Minister's commitment to evaluation. I have heard the Minister indicate that there will be continuous evaluation and I welcome that commitment. However, we must ensure that we amend the programme as we learn the lessons.

Mentoring is important and someone should be assigned within the company to each internee such that he or she has a role model, someone to strive for them and someone to show them the way. I welcome the programme. JobBridge is a good initiative on paper but I am fearful of how it is being translated on the ground. It has been shown up on the ground and it appears we do not have the experience or expertise within our companies. I am not anti-company and I believe in internships. Some companies are doing wonderfully but others do not have the experience and do not necessarily have someone in human resources. In these difficult times companies sometimes cut human resources services which are critical and those involved in internships are not getting the support. When introducing an internship scheme we must ensure the support is in place for the employers and those placed. A person in an internship should receive training so that when he or she leaves, he or she will know exactly what he or she is coming out with and what has been gained so that when he or she goes for interview for a great job he or she will understand how to translate those skills. One of the things we have seen in the market is the need for adaptability and flexibility of skills.

I tabled the matter on the Adjournment because I was concerned. I sought to ring an alarm bell and to ensure we take steps so that the internship programme works in the way the Minister intended. It should not simply be a job filler, it should be something a great deal more. As someone who comes from the community and voluntary sector I have seen how the community employment scheme became devalued over the years. My fear is that JobBridge will become devalued over time.

An internship should be something of which one is proud of on one's curriculum vitae. It has a standard. An employer should know that if someone has done a JobBridge internship, they had to go through certain hoops and that there was a certain level of training and standards. My concerns relate to those aspects of the internship programme and this is why I have raised the matter.

Minister for Social Protection (Deputy Joan Burton): I thank Senator van Turnhout for raising this important issue. Earlier today at 8 a.m. I was in Athlone launching a roadshow for internships. Many employers from the midlands were present. The Senator will be pleased to hear that we were discussing precisely the issues she has raised here. The JobBridge national internship scheme is the first time we in Ireland have tried a national internship scheme. The Government's aim in launching the jobs initiative in May was to begin the process of restoring confidence in Ireland's economy and to restore hope and confidence to the vast numbers of people who find themselves out of employment at present. These are great people who, because of the recession, cannot get an opportunity. We owe it to those people. If they are young people, we owe it to their parents, the mothers, to give them an opportunity to find a mech-

anism, in this very difficult economic situation in which the banks have left us, to get a foot on the employment ladder.

JobBridge is the first initiative operated under the new National Employment and Entitlement Service, a commitment contained in the programme for Government. The aim of JobBridge is to assist individuals to bridge the gap between unemployment and the world of work. JobBridge provides those seeking employment with an opportunity to undertake a six or nine month internship in a host organisation. Participants will benefit from learning new skills to complement their existing ones. On completing their internship, they will have improved their prospects of securing employment.

The international literature is very complimentary about internships being a positive opportunity for someone who has been unable to find a job. In the current labour market environment JobBridge provides individuals with a unique opportunity to secure work experience in a new field. The scheme enables people to break the cycle whereby unemployed persons are unable to get a job without experience, either as new entrants to the labour market after education or training or as an unemployed worker whose existing skills will not be appropriate to the type of jobs that will emerge in post-recession Ireland.

Since JobBridge was launched in July, it has achieved significant milestones. In excess of 2,600 internship opportunities are being advertised on the JobBridge website, *www.jobbridge.ie*. In addition, as of last Friday, a total of 1,124 interns had commenced their internships. About half of these are new interns, totally new and fresh to the scheme. The other half are people who were on the previous scheme, the work placement programme. Interns receive an enhancement payment to their social welfare payment of €50 per week, whereas the work placement programme did not give extra funding. I decided to allow people on the work placement programme to transfer to the internship scheme in order that they could benefit from the extra top-up payment. This can have an important impact on quality and recognises the contribution the intern is making.

In recent days there have been suggestions internships are seen to be low-skilled. Once an individual meets the eligibility requirements — to be more than three months on the live register — he or she is free to apply for an internship, irrespective of whether he or she is an early school leaver or a highly qualified graduate. In the United Kingdom there are quite famous people who started out as interns. Three come to mind immediately: Mr. Cameron, Mr. Clegg and Mr. Osborne. Of course, they came from a very high level stratum of society. They were in the lucky position of having family and friends who were in a position to recommend them for internships. We are offering internships to everybody, regardless of whether they live in a council estate or have a PhD. It is important to bear this in mind. We are trying to create opportunities, not only for those who have circles of friends but for people in every town and county. The majority of employers are good employers and do not wish to abuse their employees. As a labour market activation measure JobBridge has a key role to play in offering very low skilled, as well as highly skilled, people an opportunity to improve their skill levels and connection with the labour market, with the aim of improving their chances of securing employment in the future.

It should also be noted that internships in the hospitality sector which was the subject of media attention make up only about 1% of the offers currently available on the JobBridge website. I was delighted that, at my request, this morning Fáilte Ireland presented a resource guide for companies in the tourism and hospitality sector with guidelines as to what is a good quality internship. It deals with all of the points the Senator was making such as mentoring, support and guidance, setting goals and providing a quality experience. It also refers, vitally,

[Deputy Joan Burton.]

to the possibility of a company making space for an intern on a more permanent basis or giving him or her a very good reference in order that he or she can compete for the next job.

We have been criticised by employers who cannot get onto the scheme, while some people believe some of the internships ought not to be available. We have refused large numbers of would-be internships and gone back to employers to tell them they must look at what an internship is. We are also hoping to work with employers' organisations. We started in the hospitality industry. Fáilte Ireland produced the very good guide which is on its website.

Host organisations must declare in their applications that they are not displacing an employee and that they have no vacancy in the specific area in which an internship is offered. The JobBridge team check all applications against recent vacancies advertised on the FÁS Jobs Ireland website. If the JobBridge team suspects that displacement may be an issue, it can liaise with regional FÁS management to find out more information on the company. There is also a whistleblowing feature which allows any individual to inform FÁS of potential abuses of the internship scheme and all such cases are investigated. A variety of measures have been introduced in order that the internship does not allow the intern to work unsupervised. Some employers have been surprised at this measure and complained publicly. If someone is required to run a shop on his or her own, that is not an internship.

The intern must not displace an employee and must accrue significant experience throughout the entire internship. Internship opportunities have been removed from the JobBridge website in cases where companies had previously advertised them as paid employment positions. A standard internship agreement must be signed by the intern and the host organisation. This agreement clearly stipulates the terms of the internship. To ensure compliance with the scheme the Department of Social Protection and the employment services division of FÁS are monitoring internships to ensure they are of sufficient quality and that both host organisations and interns are abiding by the spirit and rules of the scheme. This involves the monitoring of monthly compliance reports that are required to be submitted by the host organisation verifying that the internship is proceeding as set out in the standard internship agreement. In addition, contact with the host organisations and interns, including random site visits, will take place shortly as part of the process.

The scheme has been on offer for only ten weeks and internships have only begun in recent weeks. Like a job offer, an internship takes a while to negotiate. As I said, a whistleblowing feature is built into the programme.

Senator Jillian van Turnhout: I thank the Minister. I believe she understands I raised this issue in a constructive manner. The example she gives of the Fáilte Ireland guidelines is exactly what I am talking about. However, that sector only represents, as she said, a figure of only 1%. We need to give such guidance sector by sector, employer by employer and host organisation by host organisation. In raising this matter I wanted to ring an alarm bell in order that we would have a planned programme of internships that would benefit everyone involved. Most employers are striving to do their best, but many need guidance. I hope the Minister, in carrying out the evaluation, will consider compelling host organisations to put a training budget in place to support the planned JobBridge programme.

The Seanad adjourned at 7.20 p.m. until 10.30 a.m. on Thursday, 15 September 2011.