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money that is owed. Officials with the centralised collection agency would also be able to extract money from pensions and welfare payments.

Already, there is a law whereby non-payment of the property tax can lead to money being removed from debtors in such a way.

If set up, this agency would see this law extended to other areas, meaning the Government would have further powers to take money from people's bank accounts, wages and benefits.

The plan is contained in a report that Brendan Howlin is expected to present to Cabinet in order to make the necessary changes to legislation if it is deemed to be merited.

The new body, if established, would be the most all-encompassing instrument of debt collection in the State's history.

Carried out by consultancy firm BearingPoint, the report acknowledges how unpopular such an agency would be, as it suggested careful 'selling' to ministers of the benefits of such a body would be required.

The proposed agency is being championed by Public Expenditure and Reform Minister Mr Howlin as it has emerged that €350million in hospital bills are not being paid and in some areas almost half of all court fines are not collected.

Mr Howlin has long been studying how to eliminate debt problems across Health, local government, the Department of Social Protection, the Department of Agriculture and the Courts Service.

### 'Considerable loss of fines revenue'

The BearingPoint experts, specially hired by the Government, have even advised that bailiffs be allowed to remove personal goods in extreme cases.

However, chiefly they recommend that outstanding amounts be seized from bank accounts or deducted from salaries – a move that would require the new legislation.

Mr Howlin now hopes to take the proposals to set up this wide-reaching agency – which would have powers similar to that of the Revenue Commissioners – to his Cabinet colleagues by Christmas.

Commonly avoided State charges include the €100 A&E fee at hospitals, the avoidance of court fines, as well as running away from council rents, local-authority-funded housing loans and commercial rates.

More than 75,000 people are in arrears with their hospital bills – with unpaid charges across the system having spiralled to €350million over recent years.

In just one hospital – Galway University Hospital – 5,000 patients owe more than half a million euro between them in unpaid fees for using the A&E department, it was reported in February.

Across the State, hospitals have paid nearly €1million to debt-collection agencies in the last year to chase unpaid debt. And there are millions more outstanding in fines, rents, rates and other areas.

A report from the Comptroller & Auditor General warned that just over half of all court fines are collected in some areas.

'The available evidence suggests that many fines imposed by the courts are not collected, resulting in

# More than 75,000 owe money to hospitals

## From banks to bailiffs: how the super-agency will collect

THE steps a new national debt collection agency would take against defaulters include:

- The extraction of money owed by targeting earnings, welfare payments and pensions.
- Gaining access to bank accounts and other assets but only 'where appropriate'.
- Bailiffs seizing goods in cases where the debtor has continuously failed to engage with the agency.
- The implementation of a new 'Debt Clearance Certificate' whereby access to certain services would be withheld if an individual or entity

has debts outstanding to the State.

■ Withholding licence renewals (for publicans and others), and the withdrawal of access to State services in certain circumstances.

■ Other sanctions (with reasonable safeguards) should also be available, whereby the same exclusion or punishment would apply on a cross-departmental basis.

To enable the above, the report calls on the Government to facilitate the sharing of relevant data between public service bodies, such as details of earnings, bank accounts, assets and previous credit history.

a considerable loss of fines revenue. For instance, in Dublin only 55 per cent of court imposed fines are paid,' the C&AG report revealed.

There will also be new powers, if the findings of the BearingPoint report are observed and the agency established, enabling a scheme of mounting penalties and interest to be applied to outstanding debt due to late payment.

A tough suite of measures would also involve the withholding of outstanding money from future State payments to individuals.

Joan Burton's Department of Social Protection is said to have made 'considerable strides' in improving its debt-collection rates over the past five years, increasing amounts recovered from €23million in 2007 to €53million in 2012.

However, the Department still has an overall collection rate of just 58 per cent.

It is expected that the super-agency would haul in tens of millions in the first year of operation for the Government, although there would also be increased collection costs in any change-over.

National debt management agencies in Norway and Canada are considered good models for the type of service that should be implemented in Ireland, according to the report.

Some of the measures proposed may be seen to be politically sensitive and the necessary enabling legislation or regulations may be delayed. Careful 'selling' of the benefits can help mitigate such risks, the report stated.

Outlined in the review, the main steps in setting up a 'Central Collection Agency' include:

■ The collection of outstanding money by an attachment to earnings and State benefits, such as pensions and welfare payments.

■ Attachment to bank accounts and other assets, 'where appropriate,' and allow for the seizure of goods by bailiffs. This measure is only likely to be applied for sizeable debts where the person owing the money has repeatedly failed to engage with the new agency.

■ The introduction of a new 'Debt Clearance Certificate,' similar to the existing Tax Clearance Certificate, whereby access to certain services

would be withheld if an individual or entity has debts outstanding to the State.

The latter would affect the issuing of grants, refunds, benefits and supplier payments.

There is already legislation for this in the case of unpaid property tax, in an internationally recognised process known as 'netting'.

Mr Howlin's department told The Irish Daily Mail that it will consider ways of having fines repaid.

'The BearingPoint review contains

### 'Offsetting against State payments'

a number of cross-departmental recommendations such as data-sharing, attachments to bank accounts or earnings, cross-sectoral sanctions, and offsetting against State payments,' an official said. 'The Government will now conduct detailed analysis on these cross-departmental measures.'

The Department said 'detailed

and it means it will effectively be the end of the road for those in the PAYE system who have until now refused to pay.

The Department of the Environment under former minister Phil Hogan was initially tasked with collecting the once-off €100 household charge in advance of the introduction of the local property tax last year.

Revenue then took over the collection of the new tax, along with the outstanding household charges that remained unpaid from the year before.

proposals will then be brought to Government, if the case merits it.'

'Strong political sponsorship will be needed to deal with any reticence on their part, or [that of] individual Ministers. Knowledge about the success of similar bodies in other countries may help overcome issues in this area,' the Department spokesman told the Mail.

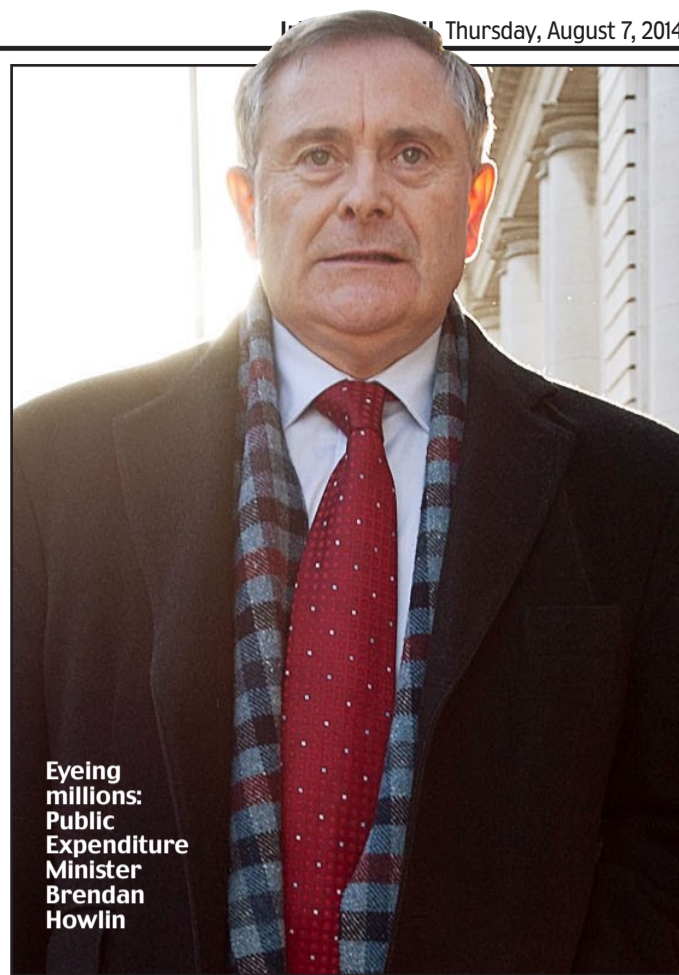
In the health sector, the consultants noted 'significant variations' in collection rates between hospitals, ranging from under half (47 per cent) to 85 per cent for the A&E fee of €100 for attendance without a doctor's referral.

Bills for inpatient beds were paid between 63 per cent and 97 per cent of the time, depending on the hospital involved.

Of 32 hospitals surveyed, nine were viewed as having a poor debt-collection system, while nearly a quarter of A&E bills (24 per cent) were 'found to be ineligible' – likely meaning a false name and address.

The Courts Service is noted to currently collect 80 per cent of fines.

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Eyeing millions: Public Expenditure Minister Brendan Howlin

## Taxman about to dip into pay of house tax dodgers

REVENUE is already about to dip into the pay packets of 100,000 people who have dodged the property tax and its predecessor, the household charge.

The taxman is going to their employers and ordering deductions straight from wages. More than 100,000 letters have been sent out to non-payers' bosses telling them to make mandatory deductions from pay packets, starting this month.

The tax authorities have the statutory powers required to issue such attachment orders

## Teenager stabbed in back five times as he left cinema



Victim: Stephen Bingham

CINEMA-goers looked on in horror as a teenager was stabbed several times moments after he emerged from a Dundrum cinema with his girlfriend.

A crowd watched as Stephen Bingham, 19, was stabbed up to five times in the back on Sandford Road in south Co. Dublin, when many of the shows were ending.

Mr Bingham then ran back into the cinema, where he was assisted by security staff at around 11.15pm on Tuesday.

Mr Bingham, from Hillview Grove in Ballinteer, was said to be in a highly distressed state.

A Garda spokesman told the Mail that 'in cinemas such as this, there are a large amount of people around at that time when a lot of movies are ending. So we'd imagine that there'll be quite a lot of wit-

nesses.' Mr Bingham was taken to St Vincent's Hospital with several knife wounds, though none of his injuries are believed to be life-threatening.

A spokeswoman for Dundrum Town Centre said: 'The incident happened on the Sandford Road, not in the complex itself. It is an on-going garda matter so I cannot comment any further.'

Security sources said that Mr Bingham left the cinema with his girlfriend before being chased by a man in a blue hoodie. He was stabbed in the back several times, then the suspect is said to have fled.

Sources say that dozens of people witnessed the victim stagger back into the cinema. The attack happened close to the taxi rank a few seconds' walk

from the cinema complex. While gardai are still trying to determine a motive for the attack, sources say Mr Bingham may have been the innocent victim of a feud between young men from the Crumlin, Drimnagh and Rathfarnham areas.

The source added: 'Some of the young lads involved in this feuding have done a couple of short stretches in prison recently. They are being influenced by more serious criminals in jail telling them they have to get involved in this and that, so they've been going back out onto the streets and attacking people to basically prove how tough they are.'

There is no suggestion Mr Bingham was in any way involved in the feud.

Meanwhile gardai have seized the victim's mobile phone and are viewing CCTV footage.

They have also interviewed his girlfriend, who witnessed the attack.