

Statement to Public Accounts Committee

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A Chathaoirligh agus baill den Choiste

We thank you for this opportunity to appear before you today to discuss Údarás na Gaeltachta's audited financial statements for the year ended 31 December 2013.

Accompanying me today are two members of our management team, Gearóid Breathnach, Financial Controller and Séamus Mac Eochaidh, Enterprise and Employment Manager.

I want to take this opportunity to give you an overview of the work of Údarás na Gaeltachta as well as a brief synopsis of the possibilities and the challenges facing us in the future.

Summary

It has been recognised for some time that stabilisation of the economic base through the creation of employment is the best way to preserve the population in the Gaeltacht and that this in turn is the foundation for achieving the preservation and extension of the language, which is central to the 20 Year Strategy for the Irish Language.

Údarás na Gaeltachta – The Gaeltacht Authority – has been creating employment in the Gaeltacht for over 30 years and providing various initiatives and grants in support of the linguistic, economic, cultural and social development of the Gaeltacht. There are now over 7,000 people employed in companies supported by An tÚdarás.

The Gaeltacht Act 2012 sets out a new structure for the Board of An tÚdarás and it specifies a particular role for An tÚdarás in the implementation of the 20 Year Strategy for the Irish Language 2010 – 2030 in the Gaeltacht. The Strategy places emphasis on integrated language planning at a community level and sets a target to increase the level of active Irish speakers in the Gaeltacht by 25%. During 2013, initial measures to give statutory effect to the Gaeltacht Act 2012 were developed.

Economic Impact and Employment Creation

Údarás na Gaeltachta client companies created 611 new full-time jobs last year. At year end, total employment in Údarás client companies stood at c. 7,650 (of which 6,969 were full-time jobs and 680 were part-time jobs). Significantly, 2013 saw the lowest rate of job losses in thirty years in Gaeltacht client companies.

The export sector has been the key driver in restoring employment and growth in the country and last year saw export sales increase to €464 million in Údarás-supported companies. The increasing focus by these companies on export markets is evidenced by the finding that since 2008, the ratio of exports to overall sales across the Údarás client-base has increased year-on-year from 45% to 59% in 2012. Research carried out by Indecon

Economic Consultants in 2013 indicates that Údarás client companies continue to make a significant contribution to Ireland's economy, with the overall value to the Irish economy estimated to be in the region of €1.5 billion.

Fostering Enterprise and Job Creation

In order to harness employment creation opportunities, an tÚdarás requires a business infrastructure appropriate to the needs of existing clients and emerging start-ups. One of the main impediments to further enterprise stimulation and job creation in the Gaeltacht is the lack of adequate business infrastructure. In spite of the relative prosperity experienced in Ireland up to 2006, there are few examples of private sector investment in modern industrial/enterprise infrastructure and associated facilities in rural areas, outside of key centres of population, and the Gaeltacht in particular.

Experience has shown that enterprise investment is easier to attract where contemporary, state-of-the-art, ready-to-occupy business premises are available. On this basis, a limited number of An tÚdarás' industrial-type properties have been redeveloped in recent years. These facilities are now close to full capacity. This positive uptake underpins the need for further capital investment to help place the Gaeltacht in a position to attract further inward investment. The redevelopment and upgrade of An tÚdarás' business property portfolio is key to the success of its enterprise development and employment creation strategy, and the Authority will be seeking ways to fund the redevelopment of its property portfolio.

Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

The Office of the Comptroller and Auditor General has audited the financial statements of Údarás na Gaeltachta for the year ended 31 December 2013 under Paragraph 18 of the Údarás na Gaeltachta Act, 1979. He has expressed the opinion that the financial statements, which have been properly prepared in accordance with accounting practices generally accepted in Ireland give a true and fair insight on the business affairs of Údarás na Gaeltachta as at 31 December 2013 and of its income and expenditure for that year end.

He has expressed the opinion that the financial statements have been properly prepared in accordance with applicable law. There was nothing to report in regard to those matters upon which reporting is required by exception.

Focus for 2015

In 2014, Údarás have continued and will continue in 2015 to fund a range of enterprise development and employment creation initiatives, with a particular focus on the aquaculture, fish processing, life sciences, food, tourism and creative enterprises (media, arts, language-based/culture-based) sectors. The language planning process will continue and a range of community and local development programmes will be supported, which have the objective of up-skilling and capacity building at community level in a range of enterprise and language planning initiatives.

Key infrastructural investment in specific areas is critical to safeguarding the existing employment base on a geographical and sectoral basis and providing clients with the capacity to grow. Where infrastructural deficiencies threaten the viability and continuation of economic activity within an area or sector immediate investment is needed to address this. Having begun to address the issue of enterprise accommodation we will also over the

next twelve months, support the delivery of strategic targeted broadband provision in the Gaeltacht.

Strategic Developments & Decisions

A feature of the Údarás client base is the diverse range of activities and sectors in which companies operate. Increasing focus has been placed in recent years on developing a number of sectors with particular importance to employment creation in the Gaeltacht, including natural and marine resources, life sciences, ICT, tourism, niche manufacturing, engineering, food, and other high-value, internationally tradable commodities. Our current strategic mission is to accelerate the further development of the entrepreneurial base and attract private investment to the Gaeltacht.

Particular emphasis has been placed on the development of our natural resources which are found in abundance along the Gaeltacht coastline. In order to develop the seaweed industry, for example, significant new investment and the acquisition of new scientific expertise and marketing ability is required. This was the primary driver of the decision to sell our seaweed processing subsidiary company, Arramara Teoranta, to an investing company which has the resources and the expertise to properly develop the sector, to create value added products and new employment in the Gaeltacht. The sale was not without controversy, but we are now satisfied that we have the support of the local community and that this sector will grow and flourish in the coming years.

Summary

Údarás's Board and Staff have the capability and motivation to create more employment and to initiate a language planning process in the Gaeltacht if the appropriate resources are available to us for this purpose.

Specifically, it is possible to create up to 1,000 additional jobs over a period of 5 years and to increase the use of Irish by 25% as a vernacular language over a period of 20 years with the appropriate budget and the necessary infrastructure being provided, particularly high-speed broadband at affordable costs, ready to occupy enterprise accommodation and having an appropriate staff structure in place from 2015 onwards.

Acknowledgement

I would like to acknowledge the support of the Department of Arts, Heritage and the Gaeltacht, Enterprise Ireland, Bord Bia, Bord Iascaigh Mhara, IDA Ireland, Solas and the Department of Social Protection for their support in implementing our enterprise development programme in the Gaeltacht during 2013.