

# DÁIL ÉIREANN

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AN COMHCHOISTE UM EALAÍONA, OIÐHREACHT, GNÓTHAÍ RÉIGIÚNACHA,  
TUAITHE AGUS GAELTACHTA

JOINT COMMITTEE ON ARTS, HERITAGE, REGIONAL, RURAL AND GAEL-  
TACHT AFFAIRS

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*Dé Céadaoin, 21 Meitheamh 2017*

*Wednesday, 21 June 2017*

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The Joint Committee met at 2.15 p.m.

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## MEMBERS PRESENT:

Deputy Danny Healy-Rae,	Senator Rose Conway-Walsh,*
Deputy Éamon Ó Cuív,	Senator Maura Hopkins,
Deputy Niamh Smyth,	Senator Marie-Louise O'Donnell.

\* In the absence of Senator Fintan Warfield.

In attendance: Senator Trevor Ó Clochartaigh.

DEPUTY PEADAR TÓIBÍN IN THE CHAIR.

## **Business of Joint Committee**

**Deputy Danny Healy-Rae:** Deputy Michael Collins asked me to pass on his apologies. He is trying to make the meeting and will be here as soon as he can.

**Chairman:** Senator Rose Conway-Walsh who is substituting for Senator Fintan Warfield has asked if she can speak first as she has an item of legislation with which she has to deal in the Seanad at 3 p.m. Is that agreed?

**Deputy Danny Healy-Rae:** That is fine.

**Senator Rose Conway-Walsh:** Go raibh maith agat.

**Chairman:** Members are normally allocated ten minutes. The Senator can spend five minutes asking her questions and allow our guest five minutes in which to reply or she can ask short questions and move back and forth for ten minutes, whichever suits her.

**Senator Rose Conway-Walsh:** Go raibh maith agat.

**Chairman:** I ask members to, please, turn off their mobile phones as they interfere with the sound system and, therefore, the broadcasting of the meeting.

Apologies have been received from Deputy Michael Collins who is trying to make it to the meeting. I hope we will see him shortly. Apologies have also been received from Deputy Martin Heydon and Senator Fintan Warfield.

## **Sustaining Viable Rural Communities: Discussion (Resumed)**

**Chairman:** We will now resume consideration of the topic of work of the Western Development Commission within the context of the committee's current project on what it takes to sustain a viable rural community with Mr. Paddy McGuinness, former chairperson of the Western Development Commission. Cuirim fáilte roimh Mr. McGuinness. Táimid ag tnúth lena fhianaise.

By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. If they are directed by the committee to cease giving evidence in relation to a particular matter and continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or entity by name or in such a way as to make him, her or it identifiable. The opening statement and any other documents the witness has submitted to the committee may be published on the committee website after this meeting. Members are reminded of a long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or any official either by name in such a way as to make him or her identifiable.

I call on Mr. McGuinness to address the meeting.

**Mr. Paddy McGuinness:** I brought all of this ordeal on myself because I deliberately made

it public that I had asked former Minister of State Michael Ring not to consider me for reappointment to the position of chairman of the Western Development Commission, WDC. I did it deliberately because I wanted to draw attention to my perception of the situation, which is and was that the problems of rural Ireland and balanced regional development do not rate highly at all, at any level. I did not expect, however, a serious and constructive response from the Chairman of this committee. I thank him for inviting me here to make this presentation. Regardless of its being an ordeal for me, it is worthwhile putting it forward. It is also difficult for me because I am a personal friend of the previous Taoiseach and would not want what I say to damage our personal relationship, whatever about our political relationship.

I read the instructions or protocols on making a presentation here. They require me to make a written submission, which I have done. I hope members have had an opportunity to read it. The protocols also state I can make an oral presentation, which is what I am doing now, and it is stated I must avoid repetition and confine my remarks to a maximum of five minutes. I do not intend to be anywhere close to five minutes. I am not sure how I can avoid repetition because the whole matter can all be summarised in the sentence that the WDC is a very powerful organisation with tremendous potential. I do not believe it has been taken seriously. I used an analogy recently that I hope is not taken as being too facile. As chairman, I was presented with a very powerful car but I never found out whether I could drive it because we were never given the keys or petrol. We were never empowered to make use of the power of the organisation.

There is an improvement over the previous time I had to come here, which was when I was being proposed for my position. There was only one member of the committee present for that meeting. A chairman had to be found somewhere. Back then, the status of the WDC was not taken very seriously and I am glad that has improved here.

It is fortunate we are to have a Minister for rural affairs. I do not know whether I should take any credit for it or not. There is no harm in taking credit; we all do it sometimes. I do not know whether I could claim to have had some impact on the thinking. I would like to think so but I do not believe that is the case. To be serious about it, I welcome the appointment of the Minister, Deputy Michael Ring. He is the ideal man for the job and I wish him well. I hope he does very well.

The submission I made has outlined for members some of the details of what the WDC feels it has achieved over the years. Let me mention a few points briefly. The Western Investment Fund has invested €48 million. Grants or funds were provided to it of €34 million, which became €48 million. No moneys are coming to it now because it is a self-financing fund. Some €3 million per annum is available from the revolving element of the fund. It has not been responsible for but involved in the creation of 2,200 jobs. I am told that if a multiplier effect is applied to that, it could equate to 5,000 jobs, which is very substantial in the region. The PAYE take from people employed in companies assisted by the WDC in 2014 and 2015 was €17 million. I do not know whether the Chairman would like me to go through other achievements and publications. They are in an appendix that I circulated. One can see publications on natural gas, renewable energy, broadband, rail, international air access and the creative economy. We have developed a website called

*www.lookwest.ie*, which has won awards against companies such as Guinness and ESB. It is a very successful website that promotes the west. It was run by the WDC.

One might assume from the attainment of all those achievements that neither I nor anybody else would give out about the priority being given to the WDC. The GDP for the region is only

85% of the EU average. The same figure for Ireland is 130%. Statistics for 2014 show that regional GDP per person in the west was 76% of that in the State overall. There is much slower job recovery in the west, at just 2.8%, which is less than half that in the rest of the State, at 6.3%. There is higher youth unemployment in the west among those between 15 and 24. The rate is 30.8%, substantially higher than the 20% in the rest of State.

I was involved in voluntary community work all my life. I took on the job with great enthusiasm and excitement because I was aware that the people working there are excellent. It is a small bunch of very committed people. I thought we would make great progress. Instead, there was no board in place for three months very soon after my appointment, from February 2014 to May 2014. One might have believed this would be a once-off and would not be repeated but the fact is that there has been no board in place since February. Therefore, an even longer period has elapsed this time.

The non-pay allocation for staff was reduced from €1.5 million in 2008 to €0.5 million in 2015, a decrease of 66%. The staff number has fallen from 17 to 11, a decrease of 35%. The CEO position has been vacant for a total of five years, from 2011 to the present. There is no great indication of any great commitment to the organisation.

Through my relationship with the former Taoiseach, we had a meeting with his economic adviser, a man called Mr. Andrew McDowell. I am not supposed to mention names; I am sorry. Do I withdraw that?

**Chairman:** No. Mr. McGuinness may continue.

**Mr. Paddy McGuinness:** Arising from that, €2 million was allocated to the WDC from the CEDRA fund. The final straw for me was that, mistakenly or otherwise, that €2 million was put into a capital fund. The Western Development Commission, WDC, could not use the money because we had no wish to buy anything of a capital nature. I spent the last 18 months of my term there as chairman trying to have that moved from capital expenditure to current expenditure. That has not happened to date. I leave it to the committee's assessment of how seriously we are taking it.

I thought when the committee kindly invited me to come here that I had better check if anyone else felt like this. I checked round with a few people in case I was just giving out. I checked with somebody who did consultancy work for the Western Development Commission while I was there. This person wrote back to me, saying, "I can well appreciate your sentiments on the matter. I always felt there was a real lack of engagement by the Department in the WDC's mandate. They are a talented bunch with much skill and knowledge". I can only emphasise that. It continues with "but I have never really been able to mobilise or utilise it to great effect, or when they have, they ultimately found themselves being suppressed by various actors." That has been my experience and that is my message here today. It is a good organisation which probably could achieve much, and is not taken seriously. I personally felt like an unwanted child. I am not sure what the reason is. Sometimes I think it is because the WDC was landed on our administration. It emerged from a campaign by the bishops, "Crusade for Survival". I think it has been, at best, tolerated rather than encouraged.

I hope that people on this committee will agree with some of what I am saying, take it on board, and try to have the whole issue of the decline of rural Ireland addressed seriously and increased in priority in political terms. I hope that it may cause a change of mind and mindset at official level. There are many programmes in existence. One person whom I also asked said

that it might be worth making the point to the committee that the Leader programme - that is the EU programme for rural areas - is absolutely strangled. A year since kick-off, there has still been no money approved because of the bureaucrats' fear that someone will make off with a euro. There are other comments from other people, but maybe I have said enough. I want to leave an impression and to try to convince people that I was an honest person with a good board and a really dedicated staff. The only time that anyone had any interest in what we were doing or not doing was on matters of governance. I do not think that is the way to motivate people or to get the best out of them. A long time ago, a much better author than me, John Healy, wrote *No One Shouted Stop*. Rural Ireland is declining. It will become a major issue, like the housing issue, if we do not address it now and deal with it. I ask people to begin to shout stop, or to begin to shout, maybe, start.

I brought some literature about the WDC which the committee may wish to have circulated later.

**Chairman:** Tá sé sin an-simúil ar fad. We agreed at the start of the meeting that we would give an opportunity to Senator Rose Conway-Walsh to start the questions, because she has to attend the Seanad to deal with legislation shortly.

**Senator Rose Conway-Walsh:** I thank the Chairman and members of the committee for allowing me this. Fracking will also be a big issue for rural Ireland and rural communities. I apologise in advance, because I have to go into the Seanad to speak to that debate.

I thank Mr. McGuinness for his courage in what he has done in the past number of months. I do not underestimate how difficult it was for him to do that. He already referred to his long-standing relationship with the former Taoiseach, so for somebody like Mr. McGuinness to come out and say these things because they were so important for rural Ireland and the west is huge. It speaks to all of what we are trying to do here and what we have been trying to do for years.

I also acknowledge the work of the Western Development Commission, including under Mr. McGuinness as chairperson, and all of the reports and strategic framework that it provided over the years, because that has all served to unite communities and to try to bring about a united response to the huge problem we have. Going through and examining Mr. McGuinness' submission from today, I think he hit some key aspects. I want to acknowledge what he and the Western Development Commission have already achieved. I also want to acknowledge what he has done outside the Western Development Commission, including his foundation of Galway-Mayo Institute of Technology, GMIT, with others, and the Mayo campus of the GMIT and what is happening with that and the threats and battle there to try to develop that in the way that it should be developed. I know he has always been a positive person and has always looked for opportunity and to bring people together to enhance that opportunity for rural Ireland. Mr. McGuinness said that his ambition was not matched at either political or administrative level, and I think that hits the nail on the head. He said that he was naive. I would not say that he was naive, but that he was always ambitious for rural Ireland, as I would like to think I am myself. There is a difference between being ambitious and being naive.

Mr. McGuinness referred to governance and the concentration on governance. The first question I would ask is if he thinks the institutionalised thinking of some of our Departments and representatives is a deterrent to tackling what is really happening in rural Ireland.

**Chairman:** Would Mr. McGuinness like to answer now?

**Senator Rose Conway-Walsh:** Will questions be answered one at a time?

**Chairman:** Yes, back and forth.

**Mr. Paddy McGuinness:** All of this is a personal opinion. I have no semblance of doubt that it is a deterrent and a real negative. I am not sure how that can be dealt with. It has probably gone on since the State was formed, but for some strange reason, at rural affairs level, it is very dominant. I do not want to be negative all the time, and I do this often, but I believe that there is a huge need to reduce the level of bureaucracy in this area. I feel that most communities are anxious to help in solving their own problems. A minor suggestion to think about would be to set up a fund to make a certain amount of money available to any community that has a reasonably coherent plan, providing it could match it with the same amount of money itself, with absolutely no strings attached, and almost a condition that it would not become involved in bureaucratic activity, and that further moneys to that community or communities would only be made available on the basis of achievement. It may be too simple but I think it could work. We hear about “bottom-up” all the time, but I can say that, at the bottom, there is not much chance of getting up that ladder.

**Senator Rose Conway-Walsh:** I know that from working in community development for years myself. I think what Mr. McGuinness is trying to say is that flexibility is needed in the approach to be able to adapt directly to the needs of each community. The only way we can empower communities and build capacity within communities is to allow them to have that bit of flexibility. If Mr. McGuinness contrasts that to the problems that he experienced in trying to change the €2 million expenditure from capital to current expenditure, if he had gone out and bought something that was maybe not all that necessary, or that was certainly not a priority, but fitted under the capital heading, then that would have been okay. The question is if Mr. McGuinness believes huge sums of money are wasted because of restrictions on how money is spent and that maybe items - maybe even capital items - are purchased and that it is all coming from the taxpayers’ public purse.

**Mr. Paddy McGuinness:** I do not feel qualified to confirm or deny that, but I do know that far too much energy and time are taken up for those who are prepared to work voluntarily because of bureaucracy.

**Senator Rose Conway-Walsh:** I acknowledge what Mr. McGuinness has said about unemployment and the catastrophic nature of what is happening in rural Ireland and the west, in particular, where there has been no targeted investment. We saw some of the figures released last week for places such as Ard na Rí in Ballina where the rate of unemployment is 31.4%. In my area, Binghamstown, the rate is at 29.9% and in the Ballina urban area, 27.7%. However, the narrative and Government policy are being framed by the fact that there is almost full employment. The disparity experienced by the communities from which we come has not been addressed. There is not even an acknowledgement of the extent of the problem and until we get such an acknowledgement, we cannot hope to find real sustainable solutions. Does Mr. McGuinness agree with me?

**Mr. Paddy McGuinness:** I agree entirely.

**Senator Rose Conway-Walsh:** The point Mr. McGuinness made about bureaucracy in terms of the Leader programme presents a huge problem in how the new programme is being delivered. Does he think it was a mistake to bring the Leader programme within the national rural development programme which is under the administration of the local authorities? Should

it have been left to the wider body?

**Mr. Paddy McGuinness:** I do not know the answer to that question. I used that quotation because I had checked with people involved in community work and rural affairs. I had no connection at all with the Leader programme. It is evidence to support my case from someone who has been working through the Leader programme. Personally, I do not know.

**Senator Rose Conway-Walsh:** Having met the rural groups, I can say there are now 18 stages in obtaining approval for a project. It takes decision-making out of local communities and makes the process more bureaucratic. I have deep concerns about the depreciation in value of the Leader programme this time around. There have been major mistakes made which I will address at another forum. One of the biggest assets in the west is the Corrib gas project. It pains me to see high levels of unemployment and emigration, but at the same time it should be remembered that it was the policy of a previous Government to give terms to oil companies which involved tax write-offs on their costs incurred all over the world. Surely that needs to be changed.

**Deputy Éamon Ó Cuív:** There is an Oireachtas committee report which was signed off on by all parties, including Sinn Féin, which proves that the only costs they can offset against their tax liabilities are costs associated with the development of the Corrib gas field.

**Senator Rose Conway-Walsh:** I want to add that the former managing director of the company said when asked by RTE that he did not envisage paying tax for up to 25 years. In terms of providing opportunities and benefits for the community, we now have to stand by and watch our natural resources being drained out of the community that desperately needs them. It is a missed opportunity.

**Mr. Paddy McGuinness:** The Corrib gas field project is way above my pay grade. It was a terribly divisive issue in our community. I do not wish to express an opinion on it.

**Senator Rose Conway-Walsh:** I would like to ask Mr. McGuinness about the special development zone, SDZ, announced at Knock airport. I welcome that announcement, as I am sure he does. What does he think needs to happen next?

**Mr. Paddy McGuinness:** I hope it is more than an announcement, of which we have had many.

**Senator Rose Conway-Walsh:** Yes. It needs to be underpinned by investment.

**Mr. Paddy McGuinness:** Knock airport is one of the great successes in rural Ireland and I would love to see it grow further. The Western Development Commission has been very supportive of it and invested in it.

**Senator Rose Conway-Walsh:** I thank Mr. McGuinness and hope he will stay involved in the development of the west and rural Ireland because of what he has to offer into the future. We now have a Minister from County Mayo sitting at the Cabinet table and he has to deliver. I am sure Mr. McGuinness has documented all of the promises he has made during the years and it is now time to deliver. We are told that this is one of the richest countries in Europe and that the public finances are in order. It is time for the west to receive its share, but the dire issues and problems that need to be solved in the west have to be acknowledged.

**Deputy Éamon Ó Cuív:** I welcome Mr. McGuinness most sincerely. It should be noted

that he has made a major contribution in the west and a major statement in saying he did not want to be reappointed. Unfortunately, it did not raise any issue in the national media. If it had been any other agency or an agency based in Dublin, days would have been spent talking about the crisis, but there was no such effect.

When the Western Development Commission was set up, I was very sceptical about it because nobody had talked to the existing agencies to say the commission would deal with particular items in the west. It was not like SFADCo in the days of Brendan O'Regan where it had incredible power in Shannon, the results of which we can still see to this day in that region. Does Mr. McGuinness agree that one of the major problems faced by the commission was the silo effect, with all of the agencies and Departments acting in their own interests and holding onto power and not being willing to release it to a major agency that would have major funding and a major role to play in business and industrial development in the west?

**Mr. Paddy McGuinness:** The Deputy has put it much better and summarised my feelings much better than I could.

**Deputy Éamon Ó Cuív:** Does Mr. McGuinness agree that it was not always like that, that there were examples of very bold practice in the past? SFADCo was one example. I could refer to the way the Gaeltacht co-ops were treated in my time compared to now. We had a meeting recently with past and present co-op managers who could not believe the way we had been treated. When we got into financial trouble, we were bailed out and the result is there are hundred of jobs in the most unlikely of places. Does Mr. McGuinness agree that there were development models in the past that were not hamstrung by bureaucracy, which seems to be the case today? Mr. McGuinness comes from County Mayo. Does he agree that if Monsignor Horan, if he was alive, were to try to do today what he did then, the governance guys would close him down and that all he would have would be an Aer Arann landing strip at the top of Barr na Cuiga?

**Mr. Paddy McGuinness:** There is absolutely no doubt about that. I agree and believe it does not only apply to the past. Our acting chief executive officer, CEO, has put forward innovative proposals. The committee might like to hear him at some stage because he has many good ideas built on the type of thing the Deputy spoke about. Knock airport would not have happened if bureaucracy had been allowed to-----

**Deputy Éamon Ó Cuív:** This is a key thread we need to deal with. My experience of the 1970s and the 1980s in the Gaeltacht was that the Secretaries General of the Department had enormous power for good and were very brave in the decisions they took. When they needed to assist people who were struggling, they assisted them with a minimum of bureaucracy. Would I be right in thinking that no matter what Mr. McGuinness's chief executive put forward, he would hit a brick wall? The system was so rigid and careful to count the pennies, it was stopping anything happening.

**Mr. Paddy McGuinness:** Yes. I agree. Rural Ireland could well do with a new T. K. Whitaker at that level within the Civil Service, someone with a bit of vision, ambition and courage to bring his or her plans to the highest level of Government and see them enacted.

**Deputy Éamon Ó Cuív:** I have two more questions. Virtually no money has been spent this year by the Department on what will be regional and rural affairs on the capital side. Any expenditure relates to the administration of the Leader programme. That means there will be a rush to try to spend money by the end of the year or else there will be a major underspend.

If €5 million or €10 million were given to the western investment fund as a kick-in, does Mr. McGuinness believe that could be usefully spent on job creation in the west?

**Mr. Paddy McGuinness:** I am certain of that because I have heard the executive talk about plans it has and would love to implement. In terms of community schemes that would not have an immediate payback but rather a long-term payback. Our executive in Ballaghaderreen has many plans for such investment but does not have the money.

**Deputy Éamon Ó Cuív:** We have a new Minister, Deputy Ring, from County Mayo, whom I congratulate. What would be Mr. McGuinness's view if he got the Government to decide that the headquarters and staff of that Department would be located at the site that was bought in Charlestown for that purpose and that he would locate the entire Department there, including the Secretary General, in order that they would be looking at the world from a western and rural point of view, from the top down, rather than from the bubble in Dublin? Does he believe a bold decision like that - he knows my preference was the site at Knock airport, which crazily was knocked by An Bord Pleanála, but I will settle for Charlestown where a site was purchased - would make a psychological difference and show from day one that we are now in a new dispensation. I am sure the jobs in that part of Mayo would be very welcome.

**Mr. Paddy McGuinness:** I agree entirely, and I hope it happens. I hope the Minister, Deputy Ring, is listening to the Deputy. That would be wonderful.

**Deputy Éamon Ó Cuív:** I thank Mr. McGuinness.

**Senator Marie-Louise O'Donnell:** I have not so much a question but want first to echo what Senator Walsh said and thank the witness for coming before the committee and being so open but also informatively honest in writing to tell us that he did not want to continue for the reasons he outlined, which in one way are terribly shocking but in another way are understandable. We are choked by bureaucracy to the point of inertia, jobs not getting done, obfuscation and hiding behind the language of it. What Departments are we talking about? I am sitting here now, but at one stage this committee was dealing with the beekeepers. We then had birds in the bushes, part of the arts, rural development, regional development and the Irish language. What Departments was Mr. McGuinness dealing with? That is the first question.

Will Mr. McGuinness outline the biggest choke of all in terms of bureaucracy? He mentioned turf wars and governance versus creativity. What Departments is Mr. McGuinness talking about? What does he believe our role here should be now, and would he be involved in it? Despite what Deputy Ó Cuív said, which is a brilliant idea, what would Mr. McGuinness do now?

From my knowledge of politics over the past five years, and even from writing a report, which is completely different, I believe that all roads lead to Rome. It seems to me that the most creative communities are closed down because of territory or funding, and that creativity is not even used or copied in other areas. The communities are not listened to. Will Mr. McGuinness talk about that? Did he come across a community that was doing something unique which did not get the funding or could not go forward?

How much does he believe the Minister, Deputy Ring, knows about this? Has he experience of it? He is a west of Ireland man. He has been involved in tourism and sport, both of which traverse politics and in which Mr. McGuinness plays a major part. How knowledgeable is the Minister of the choking of those areas? It is a type of put-down by Government of creativity.

Does the Minister know what Mr. McGuinness's organisation is saying? I do not know what Department we are in yet. The Chairman might inform us of the Department it would be best to contact. We are caught between the devil and the deep blue sea. It is a case of a bit of this, that and the other and whatever you are having yourself outside Tusk. Mr. McGuinness might answer some of those questions because what he has had to say is a new sweep, so to speak. Rather than him leaving it all behind, we need him more than ever. Is Mr. McGuinness definite about the fact his contribution would be in the background? Would he be prepared to bring that experience to a new regime or does he believe that nothing will change? I am asking Mr. McGuinness to respond to what is a more general conversation.

**Mr. Paddy McGuinness:** For someone who said she would not ask a question, the Senator has asked me quite a few. They are all very interesting and I will try to deal with some of them.

The one about Departments is very relevant. At almost every change of Government since it was formed, this area moved to some other Department. It was in arts and culture, agriculture, the environment and, before the creation of a rural affairs Ministry, it was back in arts. One could be forgiven for thinking it was a case of, "This piece is left over. Where will we shove it?" It is indicative of the thinking around rural Ireland.

On the choking point, if one were to prioritise it, it would be bureaucracy, a lack of empathy at senior Civil Service level and therefore right down along the line. I will not be very popular with people working in those Departments, but that is the reality. As to whether the Minister, Deputy Ring, knows, I do not know. He is a man of action, as Senator Conway would know, so we would be hopeful.

The suggestion from Deputy Ó Cuív about moving the Department there would be a huge step for rural Ireland, not only in setting it up but also in terms of the message it would send out.

What else needs to be done? In spite of all of us, including me, having all the answers, the matter of rural decline is very complex and it probably needs really serious worthwhile study. I would be worried that the Minister, Deputy Ring, would not want to hear about another study. An issue as complex as rural decline is worth studying seriously. We all know it is a worldwide phenomenon of people moving from rural parts to cities, but I suspect somewhere in the world has managed to cope with it. We should always follow best practice if there are examples of it somewhere else.

With regard to Senator O'Donnell's question about my role, with governance the way it is now, the door is bolted and the horse is gone. I am not sure about that.

**Senator Marie-Louise O'Donnell:** We are a committee with a very good Chair. We are very involved and we are writing a report about rural development and the sustaining of rural communities. It is the oldest story in the world, as out the door goes the experience and we start all over again. I am not ageist. One of the recommendations is to use the brilliance that has been there. The witness has made a distinctive and distinguished contribution and it cannot just go out the door. He has also made a very honest mark on it by saying it is useless not only to ask him to stay but to ask anyone else to stay, even the Michael O'Learys of this world, mar dhea, if we are not going to be listened to, if we are choked, money is not released to projects and creativity will not be answered. That is the reason I asked the question of the witness. It is not about jobs but rather experience and knowledge that we should be aware of. He is the first person I have seen in my six years here who has said he will not continue as no one is paying a blind bit of notice. He said it in a far more elegant way than I have put it and in a far more

political way. He is right in what he outlined. It is nothing short of a disgrace.

**Mr. Paddy McGuinness:** I thank the Senator.

**Senator Marie-Louise O'Donnell:** I hope I can go on record saying it is nothing short of a disgrace that he was silenced or choked by bureaucratic indulgence, obfuscation and inertia, with people not getting back or listening to him, making him write again. We all know that this is a major organisation in smaller communities. We should discuss how it can have a major part to play. Is the Chairman moving to rural development?

**Chairman:** There is a new Department being created dealing with rural development and it will have its own secretariat and Secretary General. It will be completely separate from the Department dealing with arts, heritage and the Gaeltacht. We do not know what the name of the Department will be.

**Senator Marie-Louise O'Donnell:** It will be the Department of culture.

**Chairman:** It may be but there has been no decision on whether the Gaeltacht will feature as a separate name. All of this must be fleshed out and we must wait for the Government to come back with its picture.

**Senator Marie-Louise O'Donnell:** Mr. McGuinness should play a very big part in the influence as this new Department could learn from him.

**Chairman:** I will ask a few questions but I concur with Senator O'Donnell both on the points she made and how she made them. Mr. McGuinness is a brave man who has made a stand of conviction, which is not regularly visible in this country, unfortunately, and in these spaces. When the witness was here representing the Western Development Commission with some of the staff, I was so impressed with the model that I thought it should almost be replicated in other regions in order that it could become a template to be copied and put elsewhere, especially with regard to long-term development. One of the points mentioned by the witness's colleagues was that a great deal of effort was going into long-term investments that would not necessarily have a short-term business plan feasibility factor but over time would make a much better contribution to the environment.

Mr. McGuinness's view is that the capacity and effectiveness of the Western Development Commission was good but hampered or hamstrung by a lack of political energy behind it and departmental issues. The witness used the word "oppressed" when speaking about the effects of the Department. Is that a fair analysis of the experience?

**Mr. Paddy McGuinness:** It is very accurate.

**Chairman:** I do not wish to be political and the witness states he does not wish to make this overly political either. A Minister of State asked if a turf war was being sought when Mr. McGuinness simply sought to identify what exactly would constitute an enhanced role. It seems we cannot necessarily ask the Civil Service to reform itself, but elected representatives have the responsibility to reform and ensure these processes function. Was Mr. McGuinness able to speak to anyone in the political sphere to try to break the logjam being experienced?

**Mr. Paddy McGuinness:** I tried. It would not be wise for me to say any more than that.

**Chairman:** Okay. With regard to the Departments, would it be a good idea to have a recruitment policy that would bring in far more people from outside the Civil Service on a regular

basis? This could lead to a churn of people developing in the system and those coming from outside who may have different types of experience, perspectives and approaches.

**Mr. Paddy McGuinness:** I am not sure my courage will stretch to that point. I am very encouraged by the committee's assessment of what I have said. The members are the people with political power and I am greatly encouraged by the way they see merit and truth in what I am saying. As a result, I am optimistic that the committee will put forward proposals and plans to address this shocking issue. The Western Development Commission is such a small organisation but it has great potential. It has people who have come not just from the Civil Service and there is a great mindset. It has been sat on, as it were, for so long and this would continue but for the fact I have raised the matter. I do not want any credit for that. I am very encouraged by the way all the members have responded, and from that a different mindset will come.

**Chairman:** The Western Development Commission stated before that it wanted to have a presence in Brussels so as to be able to draw down European funds or be involved with the development of funding or development programmes. That also seems to have been prevented.

**Mr. Paddy McGuinness:** That was part of the proposal that went forward on which we were allocated the €2 million we could not spend. It is hard to believe such a simple thing could happen and we could not get it moved from an account where it could not be spent to an account where it could be spent. The proposal had been accepted.

**Chairman:** It is a farce if funds that are identified to help materially individuals struggling with regard to income, job prospects and enterprise development have a bureaucratic line drawn around them to prevent them being spent. It is shocking. People outside the political world ask me and, I am sure, other elected representatives every day how the State can be so impractical in its delivery of services. A senior Minister has said there is much capture, as it is called, going on. A Minister would go into a particular role with very strong views of what should happen and high hopes. All of a sudden, however, the Minister is surrounded by ten or 15 experts, possibly with PhDs, who can think of 100 reasons for not taking the most logical steps, and this leads to a freezing of action in Departments. We are near to the completion of a report which hopes to identify a large number of recommendations and actions which will be given to the new Minister, hopefully to implement. The evidence given by the witnesses will inform a large part of our thinking and the content of that report.

**Senator Marie-Louise O'Donnell:** What is happening now? We all got a letter telling us Mr. McGuinness was no longer chairman, which we knew because he had told us months ago. Is there an impasse?

**Mr. Paddy McGuinness:** One very serious thing is happening, which is that the fund cannot function at the moment and the €3 million is revolving annually. There are applications from businesses in the region looking for support from the Western Development Commission and jobs are at stake, but until a new board is appointed, no decision can be made on any applications. This has happened twice as it also happened at the end of the previous board. I started moves last November to get a new board *in situ* by the end of February this year.

**Senator Marie-Louise O'Donnell:** It has not happened.

**Mr. Paddy McGuinness:** It has not happened. It appears to be imminent, however, and names have been sent to the Minister for a new board.

**Senator Maura Hopkins:** I thank Mr. McGuinness for his work and his contribution this

afternoon. I live in Ballaghaderreen which is the headquarters of the WDC. Ballaghaderreen is like many other towns but not all rural communities are the same. As Mr. McGuinness said, rural decline is a complex issue. In my first contribution in the Seanad, this time last year, I asked for a detailed analysis of each town and its hinterland in order that we could understand the challenges and opportunities. I believed then that the Western Development Commission had a huge role to play in looking at the analysis and I still believe that. I am as frustrated as Mr. McGuinness that we have not seen progress. There is an action plan for rural development and a certain level of funding through CLAR and the town and village renewal scheme, but there needs to be a bottom-up approach and this needs proper support and investment.

I am involved in the town team in Ballaghaderreen and we face huge challenges which are similar to other rural areas, with a high rate of vacancy and unfinished housing estates that have not yet been taken in charge because of the construction industry of the 2000s. We have a high rate of unemployment and we need proper support in order that more young people will want to come back to rural areas. While we have many challenges, there is a lot of good, there is a good quality of life and I am very proud to live in a rural area.

I know about a lot of the work in which the WDC is involved, such as its extensive research. We have excellent researchers and I know many of them. The research is important as it provides the evidence for the need for investment and funding. Senator O'Donnell spoke of the creative sector, and the WDC has done a huge amount of work to develop the creative sector. It sees huge potential for this in the western region, and I agree on that. It is also looking at renewable energies such as biomass or district heating, and a lot needs to be done in those areas. We need to know what needs to change. Mr. McGuinness said bureaucracy needs to be reduced, balanced with a governing structure, and it is extremely difficult for community groups and business people to overcome so many unnecessary obstacles. He also spoke of the need for communities to come up with a coherent plan which could be funded through the WDC. Is there anything else he feels needs to change in order that the Western Development Commission can be supported in its work and reach its potential to impact positively on rural areas?

**Mr. Paddy McGuinness:** As I have said all along, the mindset needs to change. The ability of the commission should be recognised and taken seriously and it should be reporting at the level of assistant secretary, at the minimum. Senator O'Donnell asked what was happening at the moment. The answer is "Nothing". People are doing their work but nothing much is happening. Under the current way of thinking, that could go on for the entire duration of the next board. No one is asking what we are doing, how we are doing it or what targets we are meeting. We are required to have a strategic plan and I got a commitment to lobby and campaign into our most recent plan, but we were asked to take it out as it was not part of our remit, even though it is more or less what I am doing today before this committee. We were asked to take it down from the website. That is what needs to change.

**Senator Maura Hopkins:** We hear a lot about collaboration, but how closely does the WDC work with local authorities across the west or with the office next door in the shape of the north and west regional assembly in Ballaghaderreen? Do further relationships need to be built across the different authorities to achieve its goal?

**Mr. Paddy McGuinness:** It was quite strong when we had a little budget, but at the moment the budget just keeps the office heated and the light on. We do not have capacity to do much with other authorities. When we had a small budget we got other county councils to come in and put together a package to promote Knock airport, resulting in a lot of extra traffic through the airport. That is just one example, and there is scope for more co-operation, particularly with

local authorities, but without a budget there is not much one can do other than talk.

**Senator Maura Hopkins:** I read the presentation given by Ian Brannigan about viable rural communities, and while research is part of the role, so is delivery. That is what needs to change and there needs to be a shift of mindset in order that we do not just state the problems but invest in fixing the problems. It is very disappointing to hear that a person who is extremely passionate about rural areas has had to make this decision. Mr. McGuinness has not come here without reason. He has come here because he has identified significant issues with the functioning of the WDC and I certainly know that this committee will do everything it can, along with the Minister, Deputy Ring, with whom I know Mr. McGuinness has worked closely down through the years. The Minister is about delivery and we need to make sure that he is briefed on the challenges. If he does not know about it then he needs to know. We will do that and I hope Mr. McGuinness will stay involved in some capacity because his experience is important.

**Mr. Paddy McGuinness:** I thank the Senator.

**Deputy Niamh Smyth:** Tá brón orm that I could not be here at the beginning of the presentation, but I received Mr. McGuinness's correspondence. I thank him very much for his courage and his honesty. As all the other speakers have said, it takes a very brave, big person to do what he has done and to take the ultimate decision, because of principles, to step aside from the job he was appointed to do. I say well done to him. It is great to be able to have this frank and honest discussion about how we prioritise rural Ireland.

I have some questions based on Mr. McGuinness's experience and having seen what he has seen. We are inundated with groups that repeat what Mr. McGuinness has presented here today around the stringent and laborious rules preventing them from accessing the millions of euro in funding that is supposed to be there for groups in Leader programme funding. The groups and the people who are behind the applications - including volunteers in many cases - are willing to take on these types of projects, they have the creativity, capacity, ability and a definite need for the projects they put forward to Leader. In Mr. McGuinness's experience, does he believe anything could be wrong in their applications or is there something that they are not doing right in regard to the Leader programme funding being so inaccessible to them or is it just down to bureaucracy? We could be told that the applications are not good enough, or that the people behind the applications are not expert enough, or do not have the experience to carry these projects through. In Mr. McGuinness's experience is it the case that the people, the will, the enthusiasm and the creativity are on the ground to do it and they are just not being let do it?

**Mr. Paddy McGuinness:** I believe it is the case. The Leader programme, however, was never involved in one of the organisations from which I have managed to escape. I believe that the spirit is there, and the Senator prompts me to suggest a group to look at - if she has not already spoken to or listened to them - called Communities Creating Jobs. They are in Dunhill, way out in the wilds of Waterford. They are based on the belief, and have proof of it to quite an extent, that each community can create ten jobs. They have a pilot scheme up and running in co-operation with National University of Ireland Galway and the GAA. It sounds like a great model. Again, they cannot get any Government take-up on the model to expand it. Forgive me for making the suggestion but it may be worthwhile for this committee to hear from Dr. Senan Cooke and I will pass on his contact details. He is a wonderful man and they are trying to do a great job.

**Deputy Niamh Smyth:** I have a further query in relation to rural Ireland and the new Department of Community and Rural Affairs. I ask obvious questions but I want Mr. McGuinness

to state it for the record. We know that Brexit is one of the biggest issues to face Ireland in the next decade. For me and for most of the people around here rural Ireland is of the same importance. In Mr. McGuinness's opinion is the portfolio worthy of an entire Department for itself and of not being tagged on to a Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs or anything else? As Mr. McGuinness said earlier, rural Ireland has been tagged on to various Departments over the years. Is it worthy of a Department in its own right?

**Mr. Paddy McGuinness:** Of course it is and I believe we are to have this. I welcome that very much.

**Deputy Niamh Smyth:** Does Mr. McGuinness believe there is a deliberate attempt to sideline rural Ireland? It is not the case that rural Ireland is just forgotten about and is not seen as important. There is a deliberate attempt to sideline rural Ireland and there is a focus, not just coming from any major city in Ireland, but also from further afield, to prevent people living in and setting up businesses in rural Ireland. Is there a deliberate attempt to usher people in to the more urban areas?

**Mr. Paddy McGuinness:** The only influence I would say I have seen in this regard would be in planning and around decisions on where people can build. One-off housing is a very controversial issue. That is the only evidence I have seen of a deliberate attempt. I believe it is more a case of omission than being deliberate. We are just not taken seriously. Any issue that is neglected for long enough becomes a real issue. We have the current example of housing and I predict that this will happen in rural Ireland if we do not address it and take it seriously. I take the Deputy's point.

**Deputy Niamh Smyth:** Who was it that asked Mr. McGuinness to remove the goals from his website - and anywhere else - in respect of pushing of the Western Development Commission?

**Mr. Paddy McGuinness:** Fortunately, the Chairman warned me to not use names, but it was an official in the Department.

**Deputy Niamh Smyth:** The witness was actually asked to remove-----

**Mr. Paddy McGuinness:** Not me personally, the acting CEO.

**Senator Marie-Louise O'Donnell:** Which Department?

**Mr. Paddy McGuinness:** At the time it was the environment Department. We move around so much.

**Senator Trevor Ó Clochartaigh:** Céad míle fáilte romhat, Paddy. I believe that I was here when Mr. McGuinness came in to the committee as a newly appointed chairman of the WDC and he was full of vigour and enthusiasm for the position. It is very disappointing that he is no longer the chairman, obviously, but I share in the appreciation that he has spoken so candidly on the issues around the WDC.

I get a sense that this malaise goes back almost ten or 15 years. Consider what happened to community development and rural development when we had a whole process of alignment of the community development programmes, CDPs, with the partnership companies. We then had the cohesion of the partnership companies with the Leader programme companies. We are now seeing the pulling back of control from Leader companies to the local community development

committees, LCDCs. I am seeing a trend towards centralisation where the Government Departments are sucking everything back into the centre and I get a sense that it is because they do not trust - or do not want - the local communities to make the decisions for themselves. Many times the Departments use the argument that it is about governance issues, that one cannot trust the people out there in those small little companies, that they are all too different, that they cannot run their own businesses etc. We have seen, however, classic examples of companies that went completely belly up and funds went all over the place and they were supposedly under the governance of the Government Departments. One only has to look at the Gaeltacht areas to see where this happened in a catastrophic manner. I do not buy the argument that local communities could not manage their own affairs. I believe they can but they are not being trusted to do it. Would Mr. McGuinness agree with the analysis that there is a sucking of control straight back in to the centre because the Departments want to control the moneys and tell everybody where it is to be spent? They put on the veneer that it is a bottom-up issue, they tick the EU funding box about the money supposedly being decided at a local level but really the control lies in the Departments and one cannot spend a penny without their permission, ticking their boxes and filling in all their paperwork.

**Mr. Paddy McGuinness:** The answer would be yes. There is strong evidence that they would hope to go even further with that.

**Senator Trevor Ó Clochartaigh:** Yes. Is it by default or by design is the only other question to be asked. Mr. McGuinness spoke about the difficulties he has had with the Government Department regarding the €2 million in his own funds that he wanted to try to move across. Does the witness believe that it was just incompetence or a lack of time? Is it the case of a lack of staff in the Department to be able to address an issue or was it in some sense by design that they were trying to frustrate the efforts of the WDC to do what it was supposed to be doing?

**Mr. Paddy McGuinness:** Well I honestly do not know. When it happened I thought it was a mistake. I had access, politically, to the top level in the country, and 18 months of that failed to have it changed.

**Senator Trevor Ó Clochartaigh:** I think I can read between the lines on that one. Mr. McGuinness mentioned the co-funding issue. For a lot of projects one would look to the county councils to get co-funding. When we meet with county councils or local authorities we find that their discretionary funding has also been heavily curtailed. The amount of money they may have had to spend on co-financing projects previously is also drying up. In a lot of cases one finds that there is a budget allocated nationally but that the boxes cannot be ticked because co-funding cannot be secured. Has Mr. McGuinness also found that it is very difficult to fulfil those co-funding requirements?

**Mr. Paddy McGuinness:** We were not able to. We had no funds to co-fund with anybody during my time.

**Senator Trevor Ó Clochartaigh:** No funds whatsoever. It is very stark. It is my opinion that what has gone on here is absolutely disgraceful and certainly needs to be addressed. We need to see local actors re-empowered to take control of developments in their own areas and their own communities. We need to trust them and give them the wherewithal and the permission to do that.

The other issue I mentioned, and Mr. McGuinness mentioned it himself, is around that clause on lobbying that had to be taken out. I find that quite a lot of people who depend on

funding from State agencies or Departments are practically gagged from speaking out against anything because their funding may be cut or they may be threatened with some form of action if they even criticise. It is very detrimental, in the modern republic which we are told we have, that people cannot engage in a critical manner and speak out openly about problems that they see. In many cases these are the people at the coalface, who realise what the issues really are and could help resolve them and make sure that the money is spent in a better way. I get the sense that must have been frustrating for Mr. McGuinness as well and that the only way he could speak out was by extricating himself from that position.

**Mr. Paddy McGuinness:** I spoke out while I was there but I think leaving may have had more impact. I hope it has.

**Deputy Danny Healy-Rae:** I am very glad that Mr. McGuinness came in here. It is not an easy thing to do to come in and tell one's story like Mr. McGuinness has done. We greatly sympathise with him because we can understand greatly what is happening. Take our own Leader programme in Kerry. There were three excellent companies delivering the Leader programme. There was North and East Kerry Development, South Kerry Development Partnership and IRD Duhallow. Up until 2013, everything was working fine. They were getting funding and they were giving it out. The new proposal, which was set rolling by the then Minister, Phil Hogan, has finished the whole thing. There are 18 stages of approval now for the Leader programme. Not one cent has gone to any company.

As Mr. McGuinness said himself, communities want to help themselves. All they need is a bit of financial help and a bit of support. They are not getting it now. The Leader programme was about a rural, bottom-up approach up until now. We were the envy of all of Europe in respect of the way in which it was run. Now, however, it is terrible. I can understand Mr. McGuinness's reasons for not wanting to be part of it anymore because it has fallen apart. It is so sad really.

I have no apologies to make to anyone. All the Government is doing at the present time is manipulating the figures. The only employment in certain villages around the rural countryside now is community employment, CE, schemes. The minute a person goes on a CE scheme he or she is no longer unemployed in their books. That is the only thing that is reducing the figures in rural Ireland. There are no jobs being created. Every morning when I wake up there are another 100 or 200 jobs announced for Dublin. When I go out the gate here every evening there are tower cranes all around. One would wonder how they do not get stuck in each other as they twist around, there are so many of them.

We do not have that in the west of Ireland. The farther west one goes, the worse it gets. I do not think this Government has the will or the inclination to address the issues of rural Ireland. We have been denied infrastructure, broadband, roads and so forth. Every available penny one can see - and I do not know how much funding is available - is all being spent here on underground projects and overground, on the Luas and whatever else. We do not begrudge the people of Dublin, but we want fair play as well.

I can understand Mr. McGuinness's frustration about what has happened to his excellent company. I personally did not know about it. I can see from today that it was doing the very same kind of work that our development companies were doing in Kerry. They are stranded now. They are stopped. They wonder every day where the next euro will come from. They are dropping people like flies. They cannot pay them. Something needs to be done for that wonderful programme, which I raised in the Dáil Chamber again since I left here.

It is as if they do not want to give out the money. There are 18 stages of approval. Like everything this Government does, it is announced three or four times because nothing has been spent. There is some hurdle that has to be jumped or something that prevents it starting. It is the same with the housing. It is the same with everything. There are four stages of approval for local authorities to build houses and then the Minister says that he has removed those obstacles. That is not fair. That is a blatant untruth. Yes, the local authorities can go for a two-stage approval, but if any extra costs arise on the site or in the building works the local authority has to foot the bill for the extra costs. That is not fair. They are just not being fair and they just do not want to know.

I thank Mr. McGuinness for coming in to us. We are very appreciative for his time in doing that. It was not easy on his own. I thank him. He is very welcome here and if there is anything that we can do for him in the future I hope he will contact us.

**Chairman:** Ba mhaith liom freisin míle buíochas a ghabháil le Mr. McGuinness. Beidh an t-eolas go léir curtha isteach inár gcuid tuairisc. We really want to thank him sincerely for coming in and for taking the stand he has taken and highlighting and putting a red line under this matter. It is our job, and the job of the political parties represented on the committee, to make sure that the logjam that Mr. McGuinness has identified is opened up.

**Mr. Paddy McGuinness:** I would like to thank everybody as sincerely as the Chairman has thanked me, especially those who stayed through the whole presentation. I will finish with a small bit of humour. Senator Ó Clochartaigh is correct. The previous time I came before the committee I was baring my soul as the incoming chair. Senator Ó Clochartaigh and Deputy Luke Flanagan were here. I believe they were the only two people here. When I was finished, Deputy Flanagan said that I seemed to be an honest man and that the committee would give me its blessing. He made a prediction however. He said that when my term was up I would not have made a bloody bit of difference to Ballaghaderreen or Castlerea. Those were the two towns he mentioned. I hope that as a result of what I have done here today and the interest members of the committee have taken and the sincerity with which they have responded, that it will not be thrown at whoever replaces me that he did not make any difference to Ballaghaderreen or Castlerea or Castletownbere or wherever and that we will begin to make a difference to rural Ireland.

**Chairman:** Go raibh míle maith agat. We will suspend for two minutes and on resuming we will go into private session to discuss committee business.

The joint committee went into private session at 3.42 p.m. and adjourned at 4 p.m. until 2.15 p.m. on Wednesday, 5 July 2017.