

# DÁIL ÉIREANN

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## AN COMHCHOISTE UM AIRGEADAS, CAITEACHAS POIBLÍ AGUS ATHCHÓIRIÚ, AGUS AN TAOISEACH

### JOINT COMMITTEE ON FINANCE, PUBLIC EXPENDITURE AND REFORM, AND TAOISEACH

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*Déardaoin, 29 Meán Fómhair 2016*

*Thursday, 29 September 2016*

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The Joint Committee met at 9 a.m.

#### MEMBERS PRESENT:

Deputy Peter Burke,	Senator Paddy Burke,
Deputy Michael D'Arcy,	Senator Rose Conway-Walsh,
Deputy Michael McGrath,	Senator Gerry Horkan,
Deputy John McGuinness,	Senator Kieran O'Donnell.
Deputy Paul Murphy,	
Deputy Anne Rabbitte,*	
Deputy Sean Sherlock,	

\* In the absence of Deputy Michael McGrath.

In attendance: Deputy Jan O'Sullivan and Senator Michelle Mulherin.

DEPUTY JOHN MCGUINNESS IN THE CHAIR.

## BUSINESS OF JOINT COMMITTEE

*The joint committee met in private session until 9.20 a.m.*

### **Business of Joint Committee**

**Acting Chairman (Senator Gerry Horkan):** Apologies have been received from Deputy Michael McGrath for whom Deputy Anne Rabbitte will substitute. I remind members to ensure their mobile telephones are switched off. This is important as interference is causing serious problems for broadcasting, editorial and sound staff. I propose that we go into private session to briefly discuss some housekeeping matters. Is that agreed? Agreed.

*The joint committee went into private session at 9.22 a.m. and resumed in public session at 9.57 a.m.*

### **Scrutiny of EU Legislative Proposals**

**Chairman:** Before we engage with the Minister of State, I wish to record the decisions taken by the joint committee on proposals from the European Union. On No. 8, EU scrutiny, the committee agreed that the following EU proposals warrant further scrutiny, COM 2016/23, COM 2016/25, COM 2016/26, COM 2016/300, COM 2016/312, COM 2016/313, COM 2016/314, COM 2016/450, COM 2016/551 and COM 2016/557. It was agreed that the remaining EU proposals considered today did not warrant further scrutiny and that details of all the EU proposals considered today and of the decisions made on these proposals will be published on the committee website.

### **Estimates for Public Services 2016: Minister of State at the Department of Public Expenditure and Reform**

**Chairman:** We will proceed to the mid-year review of the 2016 Estimates for Public Services. I welcome the Minister of State at the Department of Public Expenditure and Reform, Deputy Seán Canney, and his officials. Before we begin, I remind members of the longstanding parliamentary practice to the effect that they should not criticise or make charges against a person or an entity either by name or in such a way as to make him, her or it identifiable.

The purpose of the meeting is to consider the performance of the Office of Public Works with regard to output and expenditure. Essentially, this means evaluating the progress the OPW has made thus far in 2016 in achieving its targets; whether any emerging pressures are likely to have a significant impact; the important areas of spending for the remainder of the year; whether there is likely to be any significant levels of underspending or overspending before the end of the year; and whether any significant policy decisions taken this year will impact on the 2017 Estimate for the Office of Public Works. I invite the Minister of State to make his opening remarks.

**Minister of State at the Department of Public Expenditure and Reform (Deputy Seán Canney):** As Minister of State at the Department of Public Expenditure and Reform with special responsibility for the Office of Public Works and flood relief, I am pleased to be here today to undertake a review of outputs and expenditure with respect to the OPW's Vote for the

current financial year and to summarise the OPW's emerging position on next year's Estimate requirements in advance of the allocations being finalised in budget 2017. To assist the joint committee, we have provided a brief explanation note setting out the spend areas on the OPW Vote, expenditure per subhead to 30 June last, output information for each spending area and the emerging estimate requirements for 2017.

In 2015, the Office of Public Works participated in an Oireachtas pilot scheme to review performance information. The chairman appeared before the Joint Committee on Finance, Public Expenditure and Reform and committed her office to reviewing and improving the ways in which performance information is presented. As part of the 2016 Estimates, the OPW revised a number of its performance measures and removed a number of measures which the Oireachtas deemed unsuitable. As part of the 2017 Estimates process, my officials are currently considering a number of further changes to be published in the 2017 Revised Estimates volume. The OPW is focusing on revised indicators that will attempt to demonstrate the quality, quantity, timeliness and cost of outputs at a strategic level. It is important to acknowledge some indicators will represent events and milestones rather than final completions where programmes are to be delivered on a multi-annual basis. Ultimately, the development of sustainable performance targets to illustrate the efficiency and effectiveness of the organisation will need to be integrated within the current enterprise systems in the office and in the development of the new financial management system.

Before I deal with the two areas of the OPW Vote, I will comment on expenditure to date this year. Expenditure to the end of August 2016 was €211 million from a total allocation of €392 million. This expenditure represents 59% of the gross current allocation and 56% of the capital allocation to date, which is in line with the overall profiled expenditure. While there is some slight variance from profiled spend on an individual subhead basis, the two main programmes - flood risk management and estate portfolio management - are projecting to be on target by year end. However, in order to facilitate a number of property acquisitions in 2016, it will be necessary to reallocate certain funds or vire funding within the estate portfolio management programme. Capital expenditure on flood risk management is currently at €19 million but an increase in the rate of expenditure is profiled for the remainder of 2016 on a number of major schemes. In the event of any difficulties in achieving this level of expenditure, a deferred surrender or capital carryover facility will ensure the intended investment in flood risk management is still available in 2017.

My officials are currently engaging with the Department of Public Expenditure and Reform on funding requirements for next year to ensure sufficient resources are provided in order to deliver the core activities of the office. The level of service to be provided by the OPW in future years is expanding both in the delivery of the Government-approved flood risk management plan and in the management of the State property portfolio. I am committed to ensuring resources are available to deliver these significant programmes of work. This Government has demonstrated its support of flood relief by extending its commitment to provide €430 million to flood risk management within the 2016-2021 capital investment plan, increasing the allocation over that period from €45 million to €100 million per annum.

In the estate portfolio area, with rents rising and demands for suitable accommodation increasing, the OPW will continue to meet space requirements through office rationalisation and the greater use of open plan solutions. Additional space demands can, in some cases, only be delivered through new leases of modern offices and through the purchase or construction of alternative accommodation. The OPW is seeking funds in 2017 to enter into a number of new

leases in Dublin, the cost of which, over time, will be offset by a number of lease surrenders.

A substantive body of works over the next five years is also commencing with the introduction of a property retrofit programme to allow for the refit of the existing portfolio of Government accommodation. This will maintain the building fabric and optimise the capacity of office accommodation within State-owned properties. The EU requirements to minimise carbon emissions and the carbon footprint for public buildings will present challenges for both the OPW and the occupying Departments in the coming years.

In delivering heritage services, the OPW continues to co-operate with Fáilte Ireland to realise the tourism potential within many of these historic visitor sites. Building on the success of the Wild Atlantic Way, the OPW has partnered with the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs and Fáilte Ireland in order to introduce and promote Ireland's Ancient East. This partnership aims to improve the visitor experience at a broad range of locations through investment in capital works projects over the period from 2016 to 2021.

In respect of flood risk management for 2016, the delivery of complex engineering projects continues to present many challenges through the planning stage, procurement process and the construction phase. I have requested my officials to examine the long lead-in times linked to these projects with a view to identifying methods of expediting their delivery. The key objective of this programme is to reduce the risk of river and coastal flooding to homes and businesses and to provide appropriate flood risk information for planning in Ireland. As part of that, the OPW is charged with consideration of climate change and ensuring that appropriate plans to mitigate flood risk are put in place. In terms of output measures, it is worth noting that the cumulative number of properties to benefit from major flood relief works to date is 7,000 with an additional 5,000 properties benefitting from local authority projects funded by the OPW. The cumulative value of this benefit to properties, or loss avoided in economic terms, is estimated at €1.2 billion.

As part of the capital works programme, I am pleased to report that contracts are now placed at Bandon and Skibbereen and construction is now proceeding. A total of ten major capital flood defence schemes are currently under construction, another is due to commence this year and a further 21 schemes are at planning and design stage. These projects will provide protection to a further 4,500 properties at risk of flooding. In tandem with this, €3 million has been approved by the OPW under the minor works scheme in 2016 for 58 additional localised flood relief projects to be undertaken directly by the local authorities.

The OPW continues to maintain all arterial drainage schemes completed under the Arterial Drainage Act 1945. This investment provides ongoing protection to 650,000 acres of agricultural land, infrastructure and properties through the maintenance of 11,500 km of river channel including 800 km of embankments at an annual cost of €15 million. Separately, local authorities maintain 4,600 km of river channel providing further localised flood protection.

The OPW's catchment flood risk assessment and management, CFRAM, programme is the largest flood risk management planning programme ever undertaken. It has completed detailed surveys and models across 300 at-risk areas involving 6,700 km of watercourse and 9,400 km<sup>2</sup> of flood plain. The output from the ongoing CFRAM programme is a comprehensive suite of maps for 300 communities around the country covering 90 coastal areas and in the region of 7,000 km of river. Members will be aware that local communities are currently being consulted in respect of these maps. Once the public consultation is complete and all information considered, the final plans will be submitted for approval to the Minister of Public Expenditure and

Reform and may then be adopted by the local authorities.

The interdepartmental flood policy co-ordination group is developing a range of policy initiatives to underpin the overall investment in managing national flood risk. It is also considering a number of other prevention and mitigation measures for providing flood relief which may include schemes for individual property protection and voluntary home and farmyard relocation.

I understand that the members of this committee are particularly interested in ensuring that home owners and business owners can insure their properties against flood damage. As members are aware, there are a range of cross-departmental considerations in this area including the Minister of Finance who has responsibility for the development of the legal framework governing financial regulation. A memorandum of understanding now exists between Insurance Ireland and the OPW with the common objective of ensuring that appropriate information on completed OPW flood defence schemes is provided to insurers. I have asked the committee to expand the memorandum to incorporate the role of the Department to facilitate, to the greatest extent possible, the availability to the public of insurance against the risk of flooding. I am pleased to report that I have reached an agreement with the industry for quarterly meetings of the working group to make progress on any issues that may arise.

The other main programme of investment for my office is estate portfolio management which encompasses the management, maintenance and development of the State's property portfolio. In recent years, with a move towards better space management, the Office of Public Works has rationalised the State's office accommodation, surrendering more than 300 leases, with cumulative savings of over €130 million being generated in recent years. The OPW now also provides a shared service for the maintenance of accommodation occupied by Departments and manages construction projects on their behalf.

In the heritage area I am pleased to report that the total number of recorded visitors to OPW sites to the end of August was over 3 million, pointing to a record number of visitors in 2016. This is a key driver of the economic benefit being generated for the tourism sector. The OPW's heritage service has had considerable success in identifying additional sources of sustainable income through investment measures undertaken in recent years. For the first time heritage receipts will exceed €10 million in 2016, an increase of 42% on the €6.9 million received in 2012 when investment to increase visitor numbers was initiated.

Guided visitor services will continue to be provided by the OPW at 70 sites nationwide, on either a seasonal or a full-time basis. They include nationally and internationally known attractions such as Newgrange, Clonmacnoise, Glendalough and Kilmainham Gaol where recent investment has received many plaudits. Many of the OPW's heritage sites have been utilised extensively as part of this year's commemorations and I acknowledge the work undertaken by staff of OPW in this area.

I realise I have referenced only a small part of the work of the OPW which has a vast array of responsibilities, but if committee members have questions about its funding or outputs, I will be happy to accept and discuss them.

**Deputy Sean Sherlock:** I thank the Minister of State and his officials for coming before the joint committee. The flood risk management schemes in Mallow and Fermoy were both very successful. The Minister of State has said the final accounts will be agreed for the Mallow south and Fermoy south schemes in 2016. What is the full projected cost in 2017 of the two schemes?

On the intervention of the Minister of State regarding the memorandum of understanding which has now been signed with the OPW, I know for a fact that insurance providers represented by Insurance Ireland are flatly stating they will not provide flood insurance in the Munster Blackwater region which includes Fermoy and Mallow. What is the response of the Minister of State? If both areas have a flood risk management scheme which has been tested and proved to work and be effective and certain component members of Insurance Ireland state they will not provide insurance in certain parts of the Munster Blackwater region, we have a serious issue. I would like to hear the response of the Minister of State.

**Deputy Seán Canney:** The Mallow flood relief scheme has been completed and minor works are being undertaken by the local authority. The output cost will be €37 million. The Fermoy flood relief scheme has been completed, but there will be some ongoing snagging. The output cost is €39 million.

**Deputy Sean Sherlock:** What about the Insurance Ireland issue?

**Deputy Seán Canney:** Insurance Ireland has met the OPW on a number of occasions since the memorandum of understanding was put in place and we have had ongoing discussions. I have met Insurance Ireland and we have come to an understanding that we need to meet regularly. We will meet four times a year and the OPW will chair the meetings. We need to get the Department of Finance more involved. I have asked the departmental group to look at the review of the memorandum of understanding to ensure it is stronger.

On the position in the Munster Blackwater region, I do not know whether the Deputy has particular evidence, but I would welcome receiving it if he does because we can take up the matter with Insurance Ireland. The memorandum of understanding relates to the permanent flood defences which we have put in place. We provide guarantees and for certification that they are completed. Insurance Ireland is to reinsure those who have been affected and are now in a good position. Approximately 80% or 90% of people have been reinsured in such a case. There is an issue with demountable flood defences, an issue on which we are working with insurance Ireland. I need help if there is a problem. It is insuring at approximately 70% of-----

**Deputy Sean Sherlock:** To be helpful, the demountable flood defences have been proved to work and there is robust engineering evidence of this. The man and woman on the street have seen it for themselves. To be helpful to him, I suggest to the Minister of State that he should not be led a merry dance by Insurance Ireland because it speaks for the big global insurers and I do not want to name names. Even if there is a memorandum of understanding, the question is what is the extent of its power? I have proof which I will furnish to the Minister of State, through the Irish Brokers Association which tells us people are being refused flood insurance in towns such as Fermoy and Mallow, notwithstanding the fact that there are demountable flood defences. I will come back to the Minister of State, but only if I get a sense from him that he will use the full weight of his office to lean on the insurance providers because the decisions taken by the insurance industry are not necessarily taken in Dublin. They are normally taken in Switzerland, London or any of the global capitals. If the reinsurers or underwriters are not covering the risk, with all due respect, the Minister of State is at nothing.

The people of Carrigtwohill regard Barryscourt Castle as a major resource. Will the Minister of State give a definitive date as to when it will open?

**Deputy Seán Canney:** On demountable flood defences, the Deputy can rest assured the full weight of the Department is being used to deal with Insurance Ireland. At the first meeting

I had with it the issue of demountable flood defences arose because what is being put in place is of the highest standard in Europe and the defences have been proved to work. We have given all of the protocols required for their installation, maintenance, storage and reinstallation, an issue raised by Insurance Ireland. The reason I want to meet it on a regular basis is to ensure there is progress. I have also asked the departmental group to review the memorandum of understanding in order that we will have the weight the Department of Finance behind us. It is the Department charged with establishing the insurance legal framework. The committee can rest assured we are doing this.

**Deputy Sean Sherlock:** What do I tell a business on Bridge Street in Mallow or a business in Fermoy? The response of the Minister of State suggests Insurance Ireland is looking for bells and whistles, but it should take at face value the word of the OPW if it states the demountable defences work because, being the robust organisation that it is, it will not state this unless they absolutely work. We have all seen that they work. If Insurance Ireland is looking for conditions to be met before it will insure, I suggest the Minister of State not be led on a merry dance by it. It is about having teeth in the game.

**Deputy Seán Canney:** I reassure the Deputy that we have teeth and that it is being done. On a very serious note, I have said publicly that if there are particular instances where people are being refused insurance, if I receive the evidence of what is going on, I can deal with it first-hand with Insurance Ireland. Members may rest assured that the Department is not investing money in demountable flood defences for fun. They exist to do a job and they are doing it. The protocols have been issued to Insurance Ireland and we are in continuous engagement with it. If there are particular issues, please bring them to us and we will deal with them.

**Deputy Sean Sherlock:** My final questions are very specific. We need a definitive date on when Barryscourt Castle will reopen. I would like to know the operating budget for Doneraile Court. What is the headline budget for Anne's Grove Gardens, a recent enough addition? I know a notification has gone out on opening the facility but what is the specific date on which it will be open to the public?

**Deputy Seán Canney:** The electrical installation at Barryscourt was found to be totally defective and did not meet current regulations. The problem has been made worse by the fact that there is water ingress into the castle and works to deal with the issue cannot be progressed until the electrical and water problems are solved.

**Deputy Sean Sherlock:** I suppose I am asking if there is a budget line.

**Deputy Seán Canney:** The Deputy asked when it might open. It is expected to open in 2018. I do not have a specific budget and it is in the overall national monuments budget. We will try to dig it out for the Deputy.

**Deputy Sean Sherlock:** I appreciate that. To be helpful to the Chairman, I listed three specific facilities and if I could get a note from the Minister of State on the operating budget for Doneraile Court, the works required for Barryscourt and the budget therein and the budget required for Anne's Grove its prospective opening time, I would be happy to leave it at that.

**Chairman:** Will the Minister of State send on those?

**Deputy Seán Canney:** Absolutely.

**Deputy Anne Rabbitte:** This is not a committee in which I normally sit but Deputy Mi-

chael McGrath asked me to step in. Coming from east Galway and, with the Minister of State, representing the people of south Galway while living on the banks of the Shannon, I know how Storm Desmond on 9 December 2015 left a hand of destruction not for the first, but rather a second time in five years, in the area. I welcome all that is before me today and I have a number of questions.

I have engaged about the Catchment Flood Risk Assessment and Management Study, CFRAMS, since its inception and I compliment all the engineering staff who attended the 29 various sites along the Shannon. At the beginning, with the buy-in factor, it seemed like a very drawn-out process but coming to the end, I compliment what we have seen in Ballinasloe, Portumna and, on the coastal side, in Oranmore. What is the cost of the reports from CFRAMS to date? We have had three years of projects with three years of reports. They are vital and there have been ancillary works in considering the impact on the environment, etc., but where are we on the costings?

There is the issue of choosing locations and venues for meetings. Unfortunately, this year Gort was not a designated site because it is in the lowlands. I understand all that. There was slight confusion among the people of Gort and with me as in the previous two years, we held them in the community centre in Gort. Why did we not go back to the epicentre of the destruction in south Galway? When the CFRAMS concludes in its current format, when will we see the introduction of the projects and how will they be assessed for priority along the banks of the Shannon? When we assessed the CFRAMS project, it was based on towns but why was Banagher left out?

**Deputy Seán Canney:** I fully appreciate where the Deputy is coming from as we are from the same constituency. We have a good appreciation for what has happened in Galway, as well as other areas that saw flooding over the winter period. She asked about the cost of CFRAMS. The cost at this stage is estimated, at the time of completion, to be €35 million for 300 projects brought through the process. As it comes to the end of the process, we see the merit in it and what it will do. One of the major elements is that it will take approximately 18 months from the duration of a seven-year process. Any project coming from CFRAMS will hence be delivered more quickly.

On the issue of CFRAMS public consultations, the venues were organised by consultants. My understanding is there was some confusion, particularly in Galway, as referred to by the Deputy, but the meeting was held in Oranmore this year and a number of consultations were also held in Oranmore. The confusion arose because people believed CFRAMS was dealing with south Galway but it was not; south Galway is being dealt with by Galway County Council under a flood relief scheme that is outside of CFRAMS and should be moving ahead of it.

The Deputy asked about the end of the CFRAMS process. Public consultations are ongoing and the last of the 29 areas will be put on display next Friday. It deals with the Suir. When the public consultations are complete and amendments are made to reflect public consultations, the CFRAMS projects will be presented to the Department and the Minister for Public Expenditure and Reform, Deputy Donohoe, for approval. They will then go to the local authorities for adoption or whatever. From then there will be a priority list of the 300 projects. There will be a strategic plan to deal with them on a ten-year basis. The projects that give the best cost benefit and see the highest risk will be dealt with. That process will not begin until the consultation process is complete.

We will have to come back to the Deputy on why Banagher was not included.



**Deputy Anne Rabbitte:** It is a question I asked at all the public consultations.

**Deputy Seán Canney:** Did the Deputy get any answer?

**Deputy Anne Rabbitte:** It is on callow land.

**Deputy Seán Canney:** Yes.

**Deputy Anne Rabbitte:** We have secondary and national schools, as well as industry. It is bigger than Portumna just over the bridge. I could not understand why, when we noticed it was off the study, it could not have been put back on.

**Deputy Seán Canney:** Yes. I am sure the Deputy made a submission on that during the process.

**Deputy Anne Rabbitte:** I spoke to the engineering staff on the site at all times.

**Deputy Seán Canney:** We will come back with a written reply.

**Deputy Anne Rabbitte:** I will get back to the locations issue, as it was a problem in south Galway. The maps for Gort and Kinvarra were on display in Oranmore, although they were folded. There was no map in Oranmore for Kinvarra and it could only be seen on a laptop. It could not be accessed through the wall displays. There was a display of a farmyard from south Galway with Office of Public Works branding and the invitation to flood risk meetings. The Minister of State has argued we were not discussing south Galway but the visuals of farmland from south Galway were being used. I have the image on my phone and I will show it to the Minister of State afterwards. The Minister of State knows the people of south Galway all too well. Regarding another project or anything else for south Galway, at all times we held public consultations. The OPW held public consultations and they were on display. We have seen the aerial drainage for two years in a row. I am a bit disappointed with the ten years because we have already bought into a three-year process of doing a CFRAM report. Now we are telling the people that we are still not finished, but it will take 18 months off in the best-case scenario or worst-case scenario depending on how one looks at it. Wherever one is along the pecking order, one is ten years from seeing any flood defence mechanism put in place. That is not welcome reassurance for many people along the banks of the Shannon.

**Deputy Seán Canney:** Let me clarify. I said that the CFRAM process when it is complete will have 300 projects and a ten-year timeframe. I never said that no project would be completed for ten years.

**Deputy Anne Rabbitte:** However, by the end of the 300 projects it will have taken ten years to see it through to fruition.

**Deputy Seán Canney:** Absolutely. If we got through it in ten years it would be a major achievement, given that we have had no investment for many years in the area of flood defences or flood relief. We are now following a strategic plan, which is to be welcomed. We have the money to do it and will do it, but we will not do it all in one year.

**Deputy Anne Rabbitte:** We need to manage people's expectations, which is why I am clarifying it with the Minister of State today. People who have had water coming in their front door or their business destroyed need to know the timeframe for this. The idea behind appearing before the Committee of Public Accounts is to identify timeframes and manage people's expectations today.

**Deputy Seán Canney:** For further clarification, first, this is not a meeting of the Committee of Public Accounts. Second, we will spend €430 million in the first five years from 2016 to 2021. More funding will be made available after that. I wish to reiterate in order that the public knows this that money is being spent on flood defences in a serious way. We will be cranking up expenditure each year from €50 million in capital expenditure on flood defences to address flood risk up to €100 million within the next two years.

While I understand that people experience flooding, the reality is that we will not fix everything before this winter or before the next flood. However, we will tackle it in a strategic way and give the most protection to most people as quickly as possible. That is how the priority list will be prepared. It is important the people have the message that we are serious about the fact that flooding is a problem. It is not something that happens once in every 100 years. That has been proved beyond a shadow of a doubt. The Government accepts that. The money is being made available. Let nobody think this will be fixed in one, two or three years.

In our constituency, for instance, work has started on the Dunkellin scheme. That was being talked about in the 1960s and is in the Dáil Official Report. There has been a lot of talk, but now we are seeing the start of the action on flood relief.

**Deputy Anne Rabbitte:** I come back to funding. Based on the report the Minister of State read to us this morning, €19 million has been spent in the year to date after eight months. Are we on target to have the full budget of €80 million spent on capital projects this year?

The Minister of State spoke earlier about the Wild Atlantic Way and Ireland's Ancient East. I would like to think that the OPW would work with Fáilte Ireland in recognising the value of the lakelands, given that the main artery, the River Shannon, runs by Clonmacnoise, Athlone Castle, St. John's in Limerick and Portumna Castle. We call on the OPW to support the branding of the lakelands.

As was the case with another Deputy, I will be parochial for a moment. I believe we are only about three months away from the next flood in south Galway. What message can I bring back to the people of south Galway? I want to say that today in Dublin I met representatives of the OPW and asked them to outline the plan for south Galway. What is the plan?

**Deputy Seán Canney:** The Deputy asked how much we will have spent by the end of the year. We are on target to meet our spend. The projects in hand at the moment are the ones in Ennis, the South Campshire in Dublin, Claregalway, Bandon, Skibbereen, Foynes, Dunkellin, Bray, the River Dodder and Waterford city phases 2 to 4. I believe we will do advance works in Morrison's Island in Cork as well as all the channel works being done. So far this year we have allocated €3 million to the local authorities for minor works and we expect to see more of that being spent between now and the end of the year.

The Deputy asked about Fáilte Ireland and the lakelands. The Office of Public Works has engaged with Fáilte Ireland to try to do the same thing for lakelands as it is doing with Ireland's Ancient East and the Wild Atlantic Way. Meetings have happened on that.

**Deputy Anne Rabbitte:** That is very welcome.

**Deputy Seán Canney:** What do I say to the people about south Galway? As the Deputy knows, Galway County Council has made an application to the OPW for funding to commence works on the design of the initiatives for south Galway. GSI has been engaged to carry out further modelling of the turloughs which are a major issue down there. The object of the exercise

is to present a strategic plan where we will try to drain or at least alleviate the flooding starting from the sea and working back. As the Deputy knows, the OPW will have a meeting tomorrow evening with the local authority in Galway to see how that is progressing. I am not happy that it is progressing as quickly as it should do. However, I took steps a number of weeks ago when I met the county manager and the director of services to reiterate my concerns over the lack of progress. We will work in partnership with the local authority to expedite whatever works can be done there.

**Senator Kieran O'Donnell:** I welcome the Minister of State. I believe this is his first time to appear before the committee.

**Deputy Seán Canney:** Second.

**Senator Kieran O'Donnell:** In the time I have I will deal with Limerick. I have had various discussions with the Minister of State and his officials. The Minister of State has stated that the output from the ongoing CFRAM study is a comprehensive suite of maps for 300 communities. That should be at least 302. Two communities are not included: Castleconnell village and Montpelier, alongside each other. There is a stretch of water from Annacotty village as far as O'Brien's Bridge in Montpelier that has consistently flooded in 2009 and most recently in late 2015 and early 2016.

Public consultations took place in the Castle Oaks hotel on Thursday, 1 September. More than 100 people from the area attended. Lo and behold, we found no maps for Castleconnell village and Montpelier. The CFRAM draft document states that no residential properties, business properties or utilities are at risk in Castleconnell village. That makes no sense. I have asked the OPW to go back to the drawing board and produce draft maps with planned flood relief measures for Castleconnell village and Montpelier. I want an update on when that will happen. That should be followed by public consultation with the local residents in the Castleconnell village and Montpelier area. I ask the Minister of State for an update on that. Given that homes and businesses in Castleconnell village and Montpelier had been exposed to flooding for at least a month in 2016 and the same in 2009, when the people turned up at that meeting they were shocked to find that effectively the OPW claimed it was not a problem in that area.

**Deputy Seán Canney:** When the public consultation process began, Senator Kieran O'Donnell rang me directly. In fairness, he made the position clear at that stage. I suppose I would say that no process is infallible and that is why we have public consultation. The public consultation process was worthwhile for particular reasons.

There is a particularly unique issue with Castleconnell and Montpelier. As I have advised the Senator, the process of looking at that area has begun. There is consultation taking place between the Office of Public Works, the consultants, Jacobs, and the local authority to look at that area-----

**Senator Kieran O'Donnell:** The Minister of State should ask Limerick City and County Council.

**Deputy Seán Canney:** -----and bring forward a flood defence project or proposals for it. They will bring them to the local people as part of consultation process. That process has begun and we will keep the Senator informed of what is happening. There was a unique reason for it being left out. It was not deliberately left out; it was merely because of the unique aspect.

**Senator Kieran O'Donnell:** Castleconnell village is a picturesquely unique place. The

Minister of State might elaborate as to why it came to pass that Castleconnell village and Montpelier were not included on flood relief maps. I very much welcome the fact the Minister of State has given a commitment that OPW will address that issue and produce maps with flood relief measures for both Castleconnell village and Montpelier and that these will be made available for consultation with local residents before the catchment flood risk assessment and management, CFRAM, study is finalised. However, what was the reason? Residents are entitled to an explanation.

**Deputy Seán Canney:** The reason was the flood event of 2015-2016 was exceptionally severe, more extreme even than the Shannon flood of 2009, which, at the time, was the most extreme on record by a significant margin. The CFRAM flood study maps for Castleconnell were developed prior to the flooding of last winter, making use of the information available at that time including information on the 2009 event. The maps were displayed locally during public consultation in 2014 and were subsequently formally consulted, under SI 122 of 2010 and SI 495 of 2015, in November-December 2015. The feedback received generally at that time indicated that the maps, which show properties at potential risk in Castleconnell during very extreme events, represented past flooding events reasonably well. However, 2015 changed the view on that. The OPW recognises that there have now been two particularly extreme floods on the Shannon in recent years, which may indicate a possible underestimation of the likelihood of such severe events showing on the existing CRFAM flood maps for Castleconnell. While some flood event data collection was undertaken after the winter of 2015, it takes some time to collate all the detailed information necessary to review the technical analysis and the maps have not yet been fully reviewed on the basis of the flood event.

The OPW fully acknowledges and agrees that future analysis must be undertaken on foot of the flooding of last winter in order to better understand the specifics of the flood event and to review the hydraulic modelling and flood mapping of this area. Information received at the public consultation held in September this year in respect of the extensive flooding that occurred will help to inform this review.

I can give Senator Kieran O'Donnell my note. Basically, I am saying that is the reason for it. I commend the Senator on the approach he took on the issue in that he highlighted it to us in a constructive way. Hopefully, we will get the desired result at the end of the process.

**Senator Kieran O'Donnell:** I happened to be around for the floods in 2009 and 2016 and I have first-hand knowledge of what people went through. There is nothing worse for a person who has put his or her life into a business or for residents who have invested in their homes than being exposed to flooding. It is akin to a property being broken into. In fact, in some ways it can be worse. I very much welcome what the Minister of State outlined. When does he expect the maps would be available and when does he expect public consultation to take place with the local residents of Castleconnell village and Montpelier?

**Deputy Seán Canney:** I cannot give the Senator specific dates. At our meeting yesterday, he asked for dates but we did not have them. I will get them to the Senator as soon as I can. I can assure him it is being expedited.

**Senator Kieran O'Donnell:** Can I take it this will all happen before the end of the year?

**Deputy Seán Canney:** Yes.

**Senator Kieran O'Donnell:** Can I move-----

**Deputy Seán Canney:** There is just one other point of reassurance. After the 2009 flood, the Office of Public Works allocated funding of €117,000 to then Limerick County Council to carry out minor works and that would have been informed by what happened in 2009-2010. To date, there was one allocation for Castleconnell and Montpelier of €54,000 and another €63,000 was allocated. There is some of that funding still to be drawn down. The OPW recognised in 2009 that there is a problem and funding was given. Obviously, 2015 has changed that totally.

**Senator Kieran O'Donnell:** I acknowledge that. That funding has been put to good use. I acknowledge the work by Limerick City and County Council and the OPW on flooding.

Finally, I will move on to Limerick city. A consultation took place on Thursday, 13 September in City Hall. Many people from areas of the city that were exposed to flooding were present. I refer to King's Island, St. Mary's Park, the Corbally area, the Mill Road, Richmond Park, Athlunkard Street and Sir Harry's Mall. I want an update on these proposals, particularly with regard to St. Mary's Park. Clearly, people are exposed in those areas. When would the Minister of State expect these measures to be put in place? Perhaps he could provide an overarching report on how the local authorities can draw down funding for the minor works schemes and other areas. The main point here is it is extremely important that Limerick city and county, including east Limerick, be included in the CFRAM study. More particularly, the Minister of State might comment on the matter of when the funding will be available and when these works can be carried out. I thank him for his attention in respect of this issue and for seeing to it that work on the plans for the areas to which I refer will be expedited.

**Deputy Seán Canney:** I thank the Senator. I had the privilege of travelling to Limerick during the summer for the signing of the contract relating to Foynes, which is a €2.8 million project. The works have commenced there. The project is a defence against coastal flooding, which is to be welcomed.

In Limerick city, funding of €1.3 million for advance work at Verdant Place, King's Island, which was originally part of an application for minor works, has been approved by the OPW. Planning permission has been received by the local authority and works, which consist of re-pointing the stone wall and the construction of reinforced concrete walls at the rear of it, are expected to commence in mid-October, with a view to completion in the first quarter of 2017. A further €90,000 in funding has been granted to Limerick local authority for small works on Condell Road, subject to design and implementation being undertaken in such a way as to minimise the risk of these works to be redone when the full scheme is put in place. From that, Senator O'Donnell can see that we are working with the local authority on advance works.

It is important to say that the minor works funding application process is something of which local authorities are making use. I have written to all of the authorities in recent weeks to encourage them to apply for funding. It is not often a Department states that it has the funding and asks local authorities to come and apply for it. It is important to reiterate that there are minor works which can be done. I think we have spent €37 million so far on minor works throughout the country and - this is in my report - given protection to 5,000 properties to date. The latter is a substantial level of protection to provide. It is not to be underestimated and we should make more use of it. Last Sunday, I met one of the chief executives of a local authority who asked me to keep the money coming and said the local authority could do with it. I asked him in turn to keep the applications coming and said we could give the local authority the money, provided it meets the criteria, which it does in many cases. I acknowledge the work of the local authorities. So far this year, 58 projects have been approved under the minor works scheme. We will continue our efforts in that regard and we must work in partnership with the

local authorities. I do not agree with the idea that the OPW will do everything on its own and the local authority will do everything on its own. We must work together and find the solutions. I am glad to say that, from my experience in the months I have been responsible for the Office of Public Works, there is a very good working relationship between it and the local authorities. They need to ensure that this continues and that we work together for the benefit of flood relief and people's peace of mind.

**Senator Rose Conway-Walsh:** I notice that everybody is going over time. I thank the Minister of State for being here. It is timely that he is here as we are coming into the winter. I have some very specific questions, the first of which concerns insurance and the memorandum of understanding. Will the Minister of State furnish a copy of the memorandum of understanding to the Chairman for distribution? In particular, is there provision within it for communities and for households in communities being refused insurance where the works are not yet done? I refer to areas such as Crossmolina. I am getting calls from people in that area who have been refused insurance.

**Deputy Seán Canney:** The memorandum of understanding can and will be made available through the Chairman to all members. The memorandum of understanding is basically an understanding between the Office of Public Works and Insurance Ireland on the protocols by which information is given to Insurance Ireland when flood relief schemes are completed. It also provides information on when demountables are put in place and have been certified as being correct, how the two bodies will work together to share the information they have on the numbers being insured and where the issues are arising whereby people cannot be insured. There is no agreement within this memorandum of understanding that while works are to be carried out, they will continue to insure. There is no such provision. However, I think that has more to do with the Department of Finance and its role as the legal regulatory body for insurers. That is why I want to get the memorandum of understanding strengthened to try to get the Department of Finance involved.

We provide information on projects that are certified as completed-----

**Senator Rose Conway-Walsh:** I will stop the Minister of State there because I am very conscious of the time. Is there any provision in the memorandum of understanding for minor works to be done which will alleviate some flooding in places awaiting major works? What would he say to people who, at the moment - again, in Crossmolina - are being refused insurance cover? Has he any message for those people?

**Deputy Seán Canney:** Floodgates are being piloted in Crossmolina. If people have floodgates put in, they are considered demountables, which would be something of which we would inform Insurance Ireland. Until the major scheme is complete and certified as such, I cannot say that the person in question will get insurance in the interim.

**Senator Rose Conway-Walsh:** I see here the projects that have been in the planning stage since 2013. Is the Minister of State saying that a major scheme can take between three to seven years to complete and that people can be that length of time without any insurance cover? That is a really serious matter.

**Deputy Seán Canney:** It is, and I am very conscious of it. The length of time it takes to bring a project from inception, as I call it, to construction stage, to the point at which the machines come on the site, is one of the issues I considered when I came into the Department. The average time has been seven years. We are working on a protocol whereby we would reduce

that by at least three and a half years. Legislation will go through the Dáil seeking to expedite that process with regard to environmental impact statements and the lifting of some thresholds. That is now on the agenda and will be brought in as part of the Housing (Miscellaneous Provisions) Bill 2016. We are doing everything I can see we need to do. I came into the Department and looked at this with a fresh pair of eyes and said the delay was not right, considering the experiences we have had. I have a good understanding of insurance and how it works. We need to get things done more quickly. I think it is very worrying for people. At present, all I can offer is to try to reduce the period it takes to complete projects and get properties back into an insurable state. There are cases as well, though - Senator Conway-Walsh may have some evidence of it - where people are being refused insurance on the basis of the CFRAM maps, which should not be used for commercial purposes. I need as much documentary evidence, rather than just hearsay evidence, of this as possible, so if the Senator has any information or documentary evidence in that regard, I would welcome it from any Member of the Oireachtas or anywhere else.

Major flood relief schemes under CFRAM are designed for 100-year protection. Minor works schemes provide for perhaps 20, 30, 40 or 50 years' protection. They do not provide for a full 100 years' protection.

**Senator Rose Conway-Walsh:** I think the people in Crossmolina would settle for protection of 30 or 40 years, or perhaps even three or four days.

**Deputy Seán Canney:** Absolutely.

**Senator Rose Conway-Walsh:** They really are living in fear. We have already had some floods and we are only at this stage in the year. Many of us comment on the weather in passing, but it is terrible that the lives of people in a whole community are guided by the weather. I know the Minister of State understands that and I know he has been to visit the community. I appreciate the work he is doing to speed up everything that needs to be done because for far too long - I would lay the blame at the feet of the OPW in this regard - excuses have been made about the EU and the habitats directive, yet no derogations have been sought when they should have been sought. People are losing confidence in the OPW, so there is a job of work to be done there, and actions speak louder than words. How much funding has been allocated to date for Crossmolina specifically? Does the Minister of State have that figure?

**Deputy Seán Canney:** Under the minor works applications, €189,270 has been made available this year to Mayo County Council to carry out works in Crossmolina. I understand - I hope - that those works are under way.

**Senator Rose Conway-Walsh:** Has the Minister of State any timeline for the carrying out of the major works there?

**Deputy Seán Canney:** The exhibition, which is the planning process, will happen early next year. The delay has been due to the options of building a bypass channel or reinforcing the bridge in the town. That issue has come up. The diversion channel seems to be the preferred option. What we call going to exhibition will happen in the first quarter of next year. As the Senator said, I have been to the area and have met local residents, business people and the public representatives, such as the Senator herself. I am very conscious and acutely aware that last week or the week before the town came within millimetres of flooding again. Work is under way in Crossmolina, perhaps not as much as people would like and maybe not as quickly as they would like, but all I can assure the Senator of is that one of my high priorities is to push that project as quickly as I can.

**Senator Rose Conway-Walsh:** Regarding the expenditure on putting right the damage done by coastal flooding and storm damage - and there is quite a lot being spent - what provision has been made for coastal protection, particularly along the Wild Atlantic Way? I am concerned that all this money has been spent in many areas but we do not have the coastal protection there. I cannot locate the provision for this.

**Deputy Seán Canney:** The minor works applications include coastal erosion protection, so local authorities can make an application for funding that way. I believe that within CFRAM there is a number of coastal projects as well. I do not know how many off the top of my head, but there are a number involved. I read someplace yesterday about a number of projects in coastal areas relating to coastal protection. The minor works scheme is another vehicle by which we can get works done.

**Senator Rose Conway-Walsh:** A great deal of money is being spent on consultants under this flooding issue in coastal communities. It is hugely important to have proper and meaningful engagement with the local communities. Sometimes, the least expensive things, like gabion baskets, can help. It was obvious where these worked in certain places instead of building huge walls at huge expense. Local knowledge is vital in all of this right along the Atlantic coast. I call on the OPW to be mindful of that.

I want to go back to the document. Let us turn to page 4 of the committee brief on Vote 13, Office of Public Works mid-year review 2016 under heading A5. It appears the provisional requirement for 2017 is below that of 2016, notwithstanding a €7 million carryover. With so many projects in the planning stage, can the Minister of State explain the rationale for this? Do the Minister of State and the OPW believe there is less of a requirement for capital investment in flood risk management in 2017 than there was in 2016? Can the Minister of State explain that?

**Deputy Seán Canney:** First of all, there is a carryover from last year of €7 million. The projection is to grow year-on-year the amount of money we are spending on capital works and flood relief rather than bring it down. My challenge is to get it spent. The OPW is working hard to ensure we spend the money - an unusual thing to say. I am hoping the local authorities will assist us in doing that through the minor works scheme.

**Senator Rose Conway-Walsh:** Do we have sufficient staff within the OPW and local authorities to be able to fast-track this work?

**Deputy Seán Canney:** That is a good question. At the moment the Office of Public Works is recruiting some 60 people to help with the roll-out of the catchment flood risk assessment and management programme. Local authorities are working hard under tough conditions where flooding has occurred. This year the roads engineers have carved out three separate roads programmes. Normally, they would only be carrying out one roads programme. They are working to capacity. At this stage, local authorities have the expertise to do a good deal of work, especially in flood risk areas. There are working under pressure. Whether they have enough resources is an issue for the chief executives. They need to come forward if they do not have enough people. Anyway, I hope they have enough and, if they do not, I hope they bring it up.

**Senator Rose Conway-Walsh:** I do not think they do, to be honest. It is disgraceful that local authorities are not applying for money that is available or that they are not applying for it at the pace needed to protect communities. There is a big fall-down there.



We have seen cutbacks in local and regional roads funding. In Mayo alone, €100 million was cut off the budget over a four or five-year period. I have done the calculations previously. Certain local roads do not come under the remit of local authorities. We have the local improvement scheme for these roads and a tiny budget is available. Vital connecting roads affected in coastal flooding in 2013 have never been replaced. Whole areas are still disconnected as a result. This needs to be looked at. Are the appropriate resources and staff in place in the OPW and local authorities?

Section B8 on page ten of the same document refers to rents paid by the State for various buildings. The Government spent €3 million more in rents in 2016 than in 2015. It is expected to spend almost €6 million more in 2017 than it spent in 2015. Why is that? Are we holding on to buildings that are not being used? Are we doing enough shopping around? Do we have many vacant buildings?

**Deputy Seán Canney:** There is a continuous review of what we have in unoccupied and what is being re-occupied. It is ongoing. The excess in 2016 was for Miesian Plaza. That would have been met by savings on the Vote. There were additional lease requirements for Miesian Plaza of €8.4 million. Leases are being surrendered as well. It is an ongoing process. We cannot say that we have it right at a particular time because leases are coming up for renewal and running out and so on.

There is increased demand for space. The OPW is striving to secure that space as well as to utilise the space that it has in a better way. I referred in the report to how savings have been made of €130 million in that process alone. That is not finished. It is a continuous process through which we are looking to deliver the best value in terms of whether we should be renting or building. In the past ten years because of the lack of funding, not much building work took place, so we have been leasing. Now, we are looking to the future to see what we can do in terms of building more.

**Senator Rose Conway-Walsh:** The OPW can play a major role where there are empty buildings or buildings that are not being used. These buildings could be given to local communities, particularly now with the national rural development programme coming online. Funding can be secured to revitalise local communities and every effort should be made to do that. There are such projects in Mayo.

My final question relates to the public-private partnership contract on the convention centre in Dublin. This is on page ten, under heading B10. It will cost €25 million to service that PPP in the coming year. How much revenue does the State get directly from the convention centre? Are the costs of the PPP covered by this revenue?

**Deputy Seán Canney:** While I am getting that answer, I will go back to some of the other things mentioned by Senator Conway-Walsh. She mentioned roads and flooding. A huge number of roads have been raised throughout the country to create better access. When I was down in Mayo I spoke to some of the engineers. They have got a huge amount of money for raising roads, but that comes from the Department of Transport, Tourism and Sport. That is an ongoing issue. This is what I was talking about earlier. Three roads programmes are under way this year. These include the standard road scheme, the flood relief schemes on local and regional roads and there are national primary and secondary road schemes as well. The engineers received further funding for repairing roads as a result of flood damage.

**Senator Rose Conway-Walsh:** The damage has been done over the years because of the

accumulation of the shortfalls. I know that the Minister of State is trying to make up and fill the gaps. However, it is extraordinary to suggest that there is a great deal of money for roads when that is not the reality. We are working backwards all the time. In fact, even in the past six weeks in Mayo the roads programme has been severely cut. The figure agreed in the local authority last February for the roads programme has again been significantly cut by the local authorities. There is a disconnect.

**Chairman:** Will you deal with the last question, please, Minister of State? The Senator's time is up.

**Deputy Seán Canney:** Senator Conway-Walsh asked about the conference centre performance. The conference centre has attracted something like 157,000 foreign delegations to Ireland, boosting the economy by approximately €210 million. International conference delegates attending conferences generally represent high-value business, with each delegate currently estimated to carry a tourism value of €1,500. The data comes from Fáilte Ireland. While the money may not be coming in as hard cash, it is coming in to the economy through the tourism and business it generates in Dublin. Based on future targets, it is expected that €940 million in tourism revenue will accrue to Ireland as a result of having the conference centre in place for events. It is not the amount one gets from the punter going in the door but the activity in the general economy in Dublin, in the hotels, restaurants and shops, that is generating revenue. I cannot say that we are paying out so much in rent or taking in so much in revenue. The generator in this respect that Fáilte Ireland has come up with is that it is a huge investment but it is also delivering a huge dividend to the capital. I wish we had a few more of them around the country.

**Senator Rose Conway-Walsh:** I wish we had a few more hotel rooms too.

**Senator Paddy Burke:** I welcome the delegation. Will the Minister advise if the Office of Public Works has a plan for the future? There are many projects in the pipeline and new towns are being included every year as there seems to be more and different areas of flooding every year. Has he taken the impact of climate change into account? For example, what plan does the OPW have for the next 20 years during which time more towns will be flooded, or does it have a plan for the future other than a plan covering works for the towns that have been flooded?

**Deputy Seán Canney:** The process in which we are engaged with the catchment flood risk assessment and management, CFRAM, programme takes into account climate change projections with respect to the variations that will or are projected to happen in sea levels. Climate change and all the related issues are part of the CFRAM process; they are taken into account in the designs that will be done. Climate change is an issue that exercises every Department, including our Department when it comes to the way we construct buildings, if we are using materials that reduce the carbon footprint, the way we heat buildings, the use of energy and all those considerations. That is all part of trying to reverse the impact of climate change. To answer the Senator's question, climate change is being taken into account in the CFRAM process and factors are being designed in projects to take account of it.

**Senator Paddy Burke:** The OPW will be seeking a bigger budget every year to be able to implement this plan.

**Deputy Seán Canney:** That is what I am saying. Between 2016 and 2021, some €430 million has been set aside and committed by Government for capital works programmes to address the issue of flooding. This year, our target is to spend €50 million, while in 2018 the target spend will increase to €100 million per annum. We are cranking it up year on year.

**Senator Paddy Burke:** With the spending of €50 million this year and €100 million next year, how does the Minister of State gauge the success of the expenditure on the schemes that have been completed?

**Deputy Seán Canney:** I gave figures for the number of houses that are being projected. I draw the Senator's attention to schemes that have been completed and their success. For example, a project was completed in Ballinasloe and it was shown that despite the rise in the flood water levels that occurred in December 2015, the flood defence wall that was put in place protected the people there from flooding. That is the benefit of that project. It is estimated that one of the CFRAM projects when it is completed will afford protection to 3,500 houses. If we spend €1 million on the major projects, the cost benefit of that is that we will save €1 million worth of properties from being damaged. It is a one-to-one benefit in terms of expenditure. With the minor works, we have to show a cost benefit of one and a half times the expenditure to fulfil the criteria. It is measured in terms of the number of properties and businesses that will be protected when a project is carried out.

**Senator Paddy Burke:** Expenditure is being cranked up with the allocation of €50 million this year and €100 million next year. Many agencies are involved, including the OPW, the local authorities, the National Parks and Wildlife Service, fisheries boards and so on. Would it be better if one agency, which could get advice from the other agencies, had responsibility for the carrying out of the work? Does the Minister of State not consider that the process is cumbersome with all the different agencies that are involved? This will be a major issue in future. The Minister of State has referred to the moneys involved. Millions of euro will be spent on flood defences over the next number of years. To be more efficient and to hit the ground running faster, does he not think that the OPW should have the entire responsibility, taking the advice from the other agencies? Does he believe the current position is suitable whereby one body does one function and the other body does the other?

**Deputy Seán Canney:** No. The OPW is charged with the overall responsibility for flood risk management. In many cases, it is the contracting authority while in most other cases it is the local authority. With the CFRAM process, the consultation with the other agencies the Deputy spoke about has taken place, be it with Waterways Ireland, the ESB on the Shannon, Inland Fisheries Ireland or whatever. They are consulted. When we have finished CFRAM and we are looking at projects, we need to bring these agencies together in a team effort under the auspices of either the local authority or the OPW to make sure that any issues that arise are dealt with in advance rather than wait for them to show up in an An Bord Pleanála process or some other court. I have very good examples of where that can go wrong. On the Galway outer bypass issue, two arms of the State are in the European court fighting each other over an issue in Galway. We have to prevent that from happening by bringing the agencies together. Since I came into the office I have had a good deal of dialogue with the National Parks and Wildlife Service and the other agencies involved. There is a common willingness to make sure we work together to find a solution to the problem and identify the issues before we start the work. As the Senator said, in that way we will save time and money.

**Senator Paddy Burke:** With regard to overgrowth in lakes, there is an annual cutting programme in place for some lakes. That is the case with regard to Lough Lannagh, Lough Bilberry and the Castlebar lakes. Other than the annual cutting, is there any other process the OPW is considering with regard to bringing those lakes back to full life or to get rid of the vicious growth on them?

**Deputy Seán Canney:** In terms of channel clearing, this year alone the OPW has spent €15

million, some €5 million of which was spent on the Shannon basin. In some cases the local authorities have responsibility for cleaning channels and in others, it is the responsibility of the Office of Public Works. The OPW funds the local authorities to clear some channels. There are channels which are not part of either of those organisations. The maintenance of those channels is the responsibility of the repairing owners. It is difficult for some owners to try to find a way of cleaning these channels. Under the interdepartmental group, we are looking at ways of helping people in those areas. There is an ongoing maintenance programme, and I am aware that in different areas works are being carried out on an ongoing basis. I gave figures earlier on the number of channels that have been cleared and the amount of money spent. The work is ongoing. Sometimes the clearing is taking place in areas where it cannot be seen by people. It is not like building a house or a hotel in a town where one can physically see that. Some of the work is hidden because it is taking place in a river, but it does go on. There are issues with regard to the environment and the habitats directive, but we need to work with those involved and make sure we do everything in collaboration and within the law.

**Senator Paddy Burke:** With regard to overgrowth in lakes, other than the annual cutting of the weed in those lakes, are there any other plans to clear them of the weed that grows on them?

**Deputy Seán Canney:** Areas where there is an impediment to the flow of water will be looked at either by the OPW, if the area is its responsibility, or the local authority. If the Senator wants me to consider the lakes in Castlebar, we can come back to him on that in terms of the plan.

**Senator Michelle Mulherin:** I welcome the Minister and the delegation. The CFRAM programme is an excellent undertaking on the part of the OPW. It is thorough and scientific, and we see what the OPW can do, in conjunction with consultants, in respect of some of the major flood defences that have been built. They have worked. The problem is that they take time, as the Minister of State has highlighted, and unfortunately flooding is recurring. I understand that Crossmolina has already been touched upon, but literally three weeks ago we nearly had the very same premises flooded again. The media gets very taken by the fact that there has been building on flood plains, which of course we consider daft, but for the most part, the places in Mayo that are being flooded are long-standing towns such as Crossmolina and parts of Ballina, where I am from. Moreover, they are the older parts of town and we can definitely see the results of climate change there. Sometimes the building on flood plains argument is thrown in as a red herring to distract from spending and who should foot the bill. People have traded and lived in these homes for years and it is only now that this regular flooding and the threat of flooding are happening.

The Minister of State has highlighted the importance of local authorities making applications under the minor works scheme. While some local authorities have been a bit backward in doing this, it is very important. I would like the Minister of State to consider Crossmolina, as people there really are very fearful as this winter approaches. I thank the Minister of State for responding to my invitation and that of the people when he visited the area during the summer. It is an issue on which he has taken a very proactive approach and he has responded with great integrity to the concerns of people. However, I am not too happy with how the Office of Public Works, OPW, has performed in that area. During the previous December I had his predecessor as Minister of State, Deputy Simon Harris, down to visit and the pilot project for the floodgates - to which the Minister of State has just referred - was launched. Between that time and the current Minister of State's arrival on the scene, no criteria had been developed with regard to the rolling out of that project. I believe doing so was the responsibility of the OPW. As for the

flood wall, we only found out shortly before his latest visit - courtesy of the Minister of State - that funding had been allocated to the local authority to build a flood wall as a minor flood relief scheme. There had been no word of it but in every single month since the then Minister of State, Deputy Harris visited, there had been monthly meetings between the OPW, the National Parks and Wildlife Service, the county council and locals.

There is also an issue with the clearing out, which has been touched on by Senator Burke, and on the issue of who is or is not responsible. In my experience it has not just been since last December in case this sounds overly harsh or critical with regard to the OPW. The clearing and cleaning of the river needs to be addressed. I am not talking about interfering with the river bed. I have sent photographs to the Minister of State which show an entire encroachment into the river of vegetation coming from the river bank. This is not just trees overhanging which can be clipped but proper clearing that should be done, not even by going into the river but by a machine on the river bank. This is not being done. The OPW is very much operating within statute with regard to its obligations and from a statutory point of view, under section 37 of the Arterial Drainage Act 1945, the OPW is required to carry out maintenance of a river and its tributaries where it has carried out a drainage scheme. My information, on which I have never been contradicted and which many officials will state off the record, is that no clearing or cleaning has ever been carried out of the River Deel, which flows through Crossmolina, in the section of the river for which the OPW is responsible. It is belatedly going in there now after there was nearly a flood three weeks ago. I was there twice last November and December and it is absolutely horrible. I refer to everyone here who is aware of people and businesses that have experienced flooding and the thought that we are not taking every step that can be taken. I reiterate the Minister of State has moved things on but I am sorry to say things should have been moving before this. Whether it is Crossmolina or the River Moy in Ballina, no clearing by the OPW is going on. Why is it suddenly now going in and doing some clearing it should have been doing for years? This is an old chestnut and I do not believe the OPW is complying with its statutory obligations. I believe it is only interested in the longer-term solution and not so much in the shorter-term solutions. The response of the OPW to the issue of clearing the river is that it will not have that much of an impact. A flood took place in November when two to three inches went in. If those two to three inches could have been pulled back it might have saved some premises at that time. The Minister of State and I have had this discussion. I feel that a real spotlight needs to go on how the OPW has conducted itself in this regard.

**Chairman:** If I could intervene here Senator to allow the Minister of State to respond to some of the Senator's questions. We had agreed earlier that each member would have five minutes. I had let it go to ten minutes. Would the Minister of State like to respond?

**Senator Michelle Mulherin:** Cathaoirleach, I have just one other point and I would be happy to-----

**Chairman:** Is it a short point?

**Senator Michelle Mulherin:** It is and it ties in with all of that. There are parts of the River Deel for which nobody is responsible. It is a big issue. There are whole parts of rivers where, if people go to the OPW, the county council or elsewhere, they are told nobody is responsible. There really does need to be a single authority. On the River Deel, the OPW was batting it over to the National Parks and Wildlife Service on the shellfish issue regarding pearl mussel, as well as to Inland Fisheries Ireland, and there was no problem with those agencies whatsoever, which the Minister of State established at that meeting. Again, if I am sound in heart, it is only a small tip of the iceberg as to how fearful people are in Crossmolina. To tell the truth, I am getting fed

up of going back again and again and I cannot understand for the life of me why the OPW could not have done some clearing on that river before now. I sincerely hope that come this winter, nothing like the previous flooding will come to pass. However, who will be held accountable for that and why is the OPW not engaging in basic clearing and maintenance of these rivers?

**Deputy Seán Canney:** I thank the Senator and I am delighted she asked me about Crossmolina. It is truly one particular project on which I got some traction going when I got into office. On the issue of individual property protection, engineers have been appointed, surveys have commenced and are ongoing and it is scheduled to run for eight weeks. The funding is being provided by the OPW. Mayo County Council is to procure a contractor - and is in the process of so doing - to start to install some floodgates on the recommendations of consultants. This was announced last year but only started a short time ago.

We can talk about the past forever but we are where we are now. The Senator may not have been present when I spoke about the interdepartmental group. One issue I am looking at is channel maintenance and channel clearing. As I have said earlier, in some cases the OPW is responsible, in some cases the local authority is responsible and in some cases the riparian owners are responsible. We need to look at that, to review it to see how and if it is working and how it can be made to work better. I accept all the Senator has said and I understand the frustration over Crossmolina. However, I repeat that since I came into office, €200,000 has been allocated for minor works which have started, clearing is happening and in the future we will try to address these issues. It is important to note that channel clearing is a huge agenda item for me and members can rest assured that hopefully we will improve the way we are doing it. There are other agencies involved but they are willing to co-operate and are co-operating. We need to bed that down firmly.

**Deputy Michael D'Arcy:** It is good to be able to kick these issues about. Practically all the focus has been upon rivers, towns and villages, which I can understand as that is where settlements are. However there is a more individual area that is being ignored, namely, the coastal areas. I shall cite an example. The Minister spoke about the minor works for the local authorities, which is good. An issue arises when there are individuals who are being completely ignored and are being affected by legislation, including EU legislation. When the Department, the OPW, the National Parks and Wildlife Service, NPWS, and the local authorities are involved, an unfortunate individual can become bogged and weighed down by rules, regulations, legislation and the like. I want to give the Minister of State a good example. There is an area in north Wexford that is in a special area of conservation, SAC. The access point to a person's home has been washed into the sea and there is now a ten-foot drop where it was. A number of years ago I organised for officials of the NPWS and the local authority to visit, but I am not sure if somebody from the OPW came. All sorts of things were to be done. However, when everything was all looked at and analysed, what was required to be done would not be legal because the area was in a SAC, according to the assessment made by the powers that be. Meanwhile, the assessment was that the area would be washed into the sea, but that was okay because it was a naturally occurring event. However, people's houses will be washed into the sea and for them to defend their properties, they will have to break the law. I accept that the Minister of State has to look at settlements, villages and towns. Of course, he has to do this. However, people living along the coast must be given the opportunity to at least protect their property. That is all I am asking, but to protect their property, it will have an impact on an SAC. When the analysis is made, there must be some derogation somewhere along the line.

**Deputy Seán Canney:** First, the issue of coastal erosion is being dealt with by way of mi-

nor works and the figure can be up to €500,000 for any one project.

**Deputy Michael D’Arcy:** May I-----

**Deputy Seán Canney:** Just to answer the question, there are a number of projects which are included in the CFRAM programme. The Senator’s particular question concerns an area in an SAC which, if it is not protected, will fall into the sea. That we allow that to happen, rather than protect a house in it, is unique and an anomaly. I invite the Deputy to meet me and my officials to look at the particular problem to see what the issues are and get officials in the NPWS involved. To me, what the Deputy is saying sounds like daftness gone wrong. There are laws and regulations and we are going to lose an SAC which we are trying to protect, but we are also going lose houses because we cannot protect them. Rather than give the Deputy a specific answer now, I accept that there could be issues, but I invite him to take them up with me.

**Senator Michael D’Arcy:** I will give the Minister of State the information. If he could visit the area, there would be no better example anywhere. The problem is that, for anybody to protect his or her property, he or she must break the law. The local authority would then have to prosecute him or her for breaking the law.

**Deputy Anne Rabbitte:** Surely not in an emergency.

**Senator Michael D’Arcy:** Yes, even in an emergency. It would not matter. For anything to happen, European legislation must be broken. What is required is a derogation in that unique set of circumstances, but it has not been achieved or looked for. I ask the Minister of State to progress that issue, but there is no point in progressing it if it will take seven years to get an answer.

**Deputy Seán Canney:** I can assure the Senator that he will receive an answer much quicker than that. I will take up his invitation to visit the area with him.

**Senator Gerry Horkan:** I thank the Minister of State and will welcome him. I have a couple of points to make. I apologise that my voice is a little croaky today.

**Senator Michael D’Arcy:** The Senator sounds a little like me.

**Senator Gerry Horkan:** That is flattery, I am sure. The Minister of State’s brief is wider than flood relief. There are 70 sites where guided visitor services are provided, some of which may not be accessed by people with disabilities, including people in wheelchairs and so on. Is there any indication as to how many are not accessible and is there a programme to try to make more of them accessible?

Programme A indicates the amount of money given to local authorities for minor flood relief works as being €178,000 for the year. I think the Minister of State might have referred to a sum of €200,000. I am not sure, but that might be the sum given to local authorities for minor works this year. Last year there was-----

**Deputy Seán Canney:** A sum of €3 million has been allocated.

**Senator Gerry Horkan:** According to the information we have received, a sum of €178,000 was allocated to 30 June. The figure was €16 million last year. This year’s figure seems to be very small.

**Deputy Seán Canney:** I will clarify the matter. The figure the Senator has given is for the

amount expended up to the end of June. Local authorities are allocated the money, carry out the work and draw down the money from the OPW. A lot of work is happening and the draw-down will increase.

**Senator Gerry Horkan:** How high is the approved draw-down figure?

**Deputy Seán Canney:** A funding allocation of €3 million has so far been approved for local authorities and up to the end of June, they had drawn down €178,000. I am sure that figure has since increased since. By the way, local authorities do not have to draw down funding for minor works within the calendar year. Approval may be given this week and the local authorities concerned will have until perhaps next March or April to spend the money. The figure the Senator sees is for the amount that has actually been paid to local authorities. It is a rolling sum. The rest of the money has been allocated and once the work has been done, it will be drawn down.

**Senator Gerry Horkan:** I am just taking the figures from the chart. The total figure is in or around €3 million for the year. It was almost €17 million last year and €9 million the year before. Is there a particular reason it is less than 20% of what it was last year?

**Deputy Seán Canney:** I am being informed that the Government gave a special allocation of €15 million to deal specifically with storm damage. That resulted in a spike last year.

**Senator Gerry Horkan:** And the year before.

**Deputy Seán Canney:** That was money allocated to repair the coastal damage caused by Hurricane Desmond. It was a specific allocation and also resulted in a spike at the time.

**Senator Gerry Horkan:** If one looks at the table, the figure goes from €2 million to €9 million to €16 million. Then there is a figure of less than €200,000. It does not look like more is being spent.

**Deputy Seán Canney:** I agree with the Senator. It is the way it is being reported.

**Senator Gerry Horkan:** I just wanted to ask that question out of interest. Obviously, we are hearing a lot more about one in 100 year events that now seem to be happening three or four times in a period of ten years. Are there revised figures as clearly they are no longer one in 100 year events? They are happening with greater frequency. I remember a very serious event in my area in 2007 in Leopardstown in the middle of the summer. Subsequently €3 million was allocated for the Carysfort and Maretimo stream scheme. In 2011, on the night of the presidential debate, a poor unfortunate garda died in the river. Dundrum Town Centre, the single biggest ratepayer in the Dún Laoghaire-Rathdown County Council area, was flooded, while there was no Luas service for two days owing to flooding. Flooding is terrible, no matter where and when it happens, but when it happens in urban areas, it tends to be much more costly to deal with it as there is much more infrastructure. Is there a proper programme to clear gulleys and drainage systems all around Dublin and in urban areas generally? While I know that it is a matter for the local authorities, when I am cycling, I can see that drains are blocked and have grass and weeds growing out of them. There is an argument that I have heard made by engineers that the more drains are cleared, the faster water moves further downstream and floods the pumping station in Dún Laoghaire or somewhere else. Presumably the idea behind having drains is to drain water away. If they are full of mud, silt and grass, they are not going to work. Obviously, when there is heavy rainfall, as there was in 2011, it does not matter how clear a drain is as it will not cope with the volume of water entering it. Is there a programme in place in urban areas across the



country to keep storm drains clear? We have all seen the photographs and the aerial footage of houses and cattle in south Galway looking like islands surrounded by water. If the same thing that happened in south Galway in 2015 was to happen again in 2016 - we hope it does not - is there a critical emergency plan in place to deal with the situation more efficiently? Obviously, we should learn from the experience of last year.

The Minister referred to the Dodder CFRAMS, which was one of the earliest such studies. He suggested that there is work to be done. He might touch on what works are being done on the Dodder and on its tributary in Dundrum.

I would also like to ask about the voluntary relocation of farmyards, houses, sheds, etc. Can the Minister of State indicate how many houses nationally, or in particular areas, have been looked at with a view to deciding on a cost-benefit basis that rather than protecting these houses against floods, it would be better to move the residents to another location? I do not know whether the number in question is closer to five, 50, 500 or 5,000.

I think everybody here today has been asking for rivers to be cleared of vegetation. It is perfectly logical for people to want improvements to be made in their own areas. There is a view that this often pushes the problem on to the next village, where the flooding might be worse as the water gets faster. I am not saying I share this view. I think the Minister of State was right when he said the best approach is to start at the sea and work back up. There is a body of opinion, particularly among environmentalists, that these rivers should not be drained but that they should be allowed to fill up with silt and vegetation in a natural way. Many people say that rivers were cleared in the old days. Is there a departmental view that river-clearing is good or not good? It could be more nuanced than that. Perhaps river-cleaning is appropriate in some locations but not in others. I have heard people say that there is no way anything should be drained or dredged, that nature is nature and that people should not build near flood plains. Senator Mulherin was right when she said that places which have never before flooded have started to flood. If houses that have stood for 100 or 150 years without flooding are now starting to flood, it is clear that we have issues we did not have before now.

I would like to conclude by mentioning an issue that I intend to raise with the Minister of State later. Ireland's performance results in the global green economy index have declined considerably since 2014. We will not solve flooding automatically by making climate change-related improvements. Nearly everybody accepts that there is a relationship between flooding and climate change, which is causing sea levels to rise and rain patterns to change. We are seeing heavier rainfall at times of the year when we are not used to it. The Government's climate change performance appears to be getting worse. Does the Minister of State have any views on that? What can we do to improve it?

**Deputy Seán Canney:** I will respond firstly to what the Senator said about accessibility to our sites. I have visited places where the accessibility is not there yet. I do not have figures for the cost of doing it at a number of sites where we do not have it properly in place. I will try to gather those figures and come back to the Deputy. It is important that we have total accessibility. It is something we are striving towards.

Senator Horkan also spoke about the problems in Dundrum and the link with the Dodder, which is the subject of a major ongoing scheme. I cannot give the Deputy specific details of the work that is being done on the ground now. I know the works are ongoing.

The Senator also asked about the cleaning of drains, which is a matter for each local author-

ity. I think channels, drains and gullies need to be kept clean when all surface water schemes are being done. If large quantities of water are continuing to flow straight to outfalls that cannot take such quantities, attenuation ponds should be set up in intermediate locations to take water and release it on a gradual basis. It is a matter for local authorities to design such systems.

**Senator Gerry Horkan:** The Minister of State has responsibility for flood protection or alleviation.

**Deputy Seán Canney:** Yes.

**Senator Gerry Horkan:** Would it not be a good idea to respond to the flooding that is happening by rolling out a national programme of asking or encouraging local authorities to undertake maintenance on a planned basis, as opposed to on a reactive basis?

**Deputy Seán Canney:** Absolutely.

**Senator Gerry Horkan:** It should not be done as a reaction. Perhaps the Minister's office needs to take a lead role by asking all 31 local authorities whether they have plans in place. Some of them are probably doing it already.

**Deputy Seán Canney:** Yes.

**Senator Gerry Horkan:** Maybe they are not all doing it and maybe they should be.

**Deputy Seán Canney:** It is something we will be taking up with the interdepartmental group, at which the local authorities are represented.

Senator Horkan mentioned voluntary property relocation. I am acutely aware that we need to do something for people when there are no other engineering solutions to their problems. We need to work closely with them to get relocation schemes in place.

The Senator also asked about property numbers. I suppose we have to be careful here. We have to look at all the CFRAMS areas we have. That process will have to be completed before we know whether any properties within those areas cannot be protected in any way. We will then need to look at areas outside the CFRAMS areas, including special rural areas. Senator Horkan described the pictures we have seen of houses and farmyards marooned by water. People have had to ship out their cattle and in-lamb sheep to local marts to feed them. I hope to bring a recommendation from the interdepartmental group to the Cabinet in the next couple of weeks.

**Senator Gerry Horkan:** Will we have an idea on figures at that stage?

**Deputy Seán Canney:** Yes. We may not have a fully factored-in number of units that would be involved. The important thing is that we need to put a scheme in place for people who have already been identified through the local authorities. I refer to those who cannot benefit from any other solution.

**Senator Gerry Horkan:** We need to get those numbers.

**Deputy Seán Canney:** We have to be careful here. In many cases, people would be better served by individual property protection than by relocation. All these schemes would be voluntary. What other issues were mentioned by the Senator?

**Senator Gerry Horkan:** I asked about the critical emergency plan for south Galway.

**Deputy Seán Canney:** The emergency plan, which is a response to the flooding emergencies of winter 2015-16, is being led by the Department of Defence in conjunction with the local authority, the OPW, the Civil Defence, the Irish Red Cross, etc. This group will meet on 9 November to review what happened last year and to prepare for the coming winter. It is important that we ensure we have enough sandbags available, just as we make sure we have enough salt to deal with severe frost. People need to know what the relevant phone numbers are and who they are supposed to telephone. Having travelled to various counties, I want to record my appreciation of the huge effort that was made and the resilience that was shown by everybody involved in the local authorities, the OPW, the voluntary agencies and the local communities. It is important not only to acknowledge that but also to say to people that we will not forget about them when the emergency is over until we see the flood happening again.

When we talk about what is happening with flooding globally, it is important to emphasise the need to get up to speed with regard to early weather warning systems. We have agreed an implementation plan for the introduction of an early weather warning system. This would give us time to prepare for the winter. The implementation plan has been agreed and we are working to train people. I hope we will be modelling some of the technologies by this time next year. It usually takes approximately ten years for one of these systems to be completely validated. Our plan is to have it up and running in five years. I remind those who ask why we cannot turn on a button and have this up and running that we have to build the technology for here. We have looked at international best practice in doing this. In all countries, it has taken up to ten years to produce a system. We are planning to produce our system in five years. The meteorological service is working on that at the moment. It is important to have an emergency response and we need to be prepared for an emergency. We do not know what volume of water will fall from the sky on a given day or in a week. We get flash floods. We get continuous rain in isolated areas. It is not uncommon that all of a sudden there is flash flooding on a road or in a town, which never happened before. Yesterday was a beautiful day in Dublin but in my neck of the woods in east Galway it rained all day. We have that variation in a very small country.

**Senator Gerry Horkan:** I have a number of points. My first concerns the phenomenon of one in a hundred year events now happening every three or four years, the second is environmental concerns about clearing and third is the Government performance in respect of global climate change.

**Deputy Seán Canney:** The one in one in a hundred year event is now to be noted with inverted commas. That concept of a flood has been blown out of the water with the two incidents of flooding in 2009 and 2015. That has been a reality check for everybody. We had thought that we had the flood in 2009 and we would not see such an event again for another hundred years. Last December put paid to that notion. We have to take flooding seriously and we have to take the flood alleviation scheme seriously. We will work toward providing flood alleviation in as many places as we can. I am glad the CFRAM was mentioned. CFRAM is concentrating on the areas where most damage is caused to property by flooding. Towns were mentioned and what happened in Dundrum was raised. CFRAM is concentrating on those areas. Deputy Rabbitte was wondering about south Galway, which is a different kettle of fish and we have to deal with it as a different matter. In Roscommon because of the turloughs it is a different situation and we must deal with that separately. The one in a hundred year flood has to be redefined and timed.

**Senator Gerry Horkan:** On the question of clearing the rivers, there is an environmental view that rivers should not be cleared. Does the Minister have a view on that?

**Deputy Seán Canney:** In all my discussions with the members of the interdepartmental group and with the agencies such as the National Parks and Wildlife, I have never heard anybody say that rivers should not be cleared. There is a case for the flow of water. We must get water from A to Z. We start at the outfall, be it the sea, and we work our way back. We must have flow and how we achieve that flow is by having clear channels. At present in Claregalway we are deepening a channel at the bridge by 1.2 m to create more capacity to get water flowing towards the sea. We are doing the work but we must abide by the rules and regulations. There are certain times when one can do work and there are certain times one cannot do work and we must work with all the other bodies involved such as the National Parks and Wildlife Service. A member suggested that we have a single authority to deal with this, but when one looks at planning for housing, one sees the same agencies involved. We have a crisis with homelessness and we must try to deal with within the structures that exist. I think the legislation that is coming forward will help us in that.

**Deputy Peter Burke:** I wish to apologise as I have another committee meeting that is taking place at the same time. I compliment the Minister of State on his work. I wish to raise the rural areas in south Westmeath and other rural areas that are affected by flooding. Has a cost benefit analysis been published in respect of the various proposed works that are intended to be carried out? It has been said at public meetings that it has found adverse affects in terms of whether it is feasible to carry out these works due to the size of the population in the area. Much concern has been raised about that.

In regard to the question of relocation, when will such proposals be examined? I would be grateful if the Minister could respond to those two points.

**Deputy Seán Canney:** Deputy Burke raised the concerns expressed about the cost benefit analysis. It is important to state at the outset that if we spend public money we need to show that we are getting a benefit. Where there is a major scheme, one cannot say that one will spend €20 million to save a house. We must ensure that we are getting the optimum benefit for the money we spend. We must remember that it is taxpayer's money and public money that is being spent. A cost benefit analysis must be done. The cost benefit analysis must show that the project is yielding a benefit. We had a discussion earlier on the benefit arising from the conference centre for which we pay a high rent. There must be a benefit when we spend public money. The cost benefit ratio for a major scheme is 1:1, the ratio for schemes in minor works is 1:1.5. In fairness, what happens is that when the local authority is putting forward minor schemes it works closely with the Office of Public Works to find solutions which will be at a cost that will meet the benefit. I do not think anybody is using the cost benefit analysis to stop projects happening. Let me reassure people of that.

On the second issue, the relocating proposals I am bringing forward are being worked on at present. We had a meeting of the interdepartmental group on Tuesday last and we will be meeting again in about two weeks time. We will then bring recommendations to Cabinet.

**Chairman:** I have a couple of questions. Let me put on record the Minister of State's response to me on the Arts for Peace project and I want to thank him for arranging that meeting between his officials and Arts for Peace. I understand that will take place soon. I sent some proposals in regard to mediation in respect of the project and I hope they will be considered. I am not expecting the Minister of State to answer that now as this is a comment rather than a question. I look forward to the Minister of State arranging that meeting as soon as possible.

I tabled a recent parliamentary question on actions that were taken by employees of the

OPW regarding bullying in the workplace. To put it mildly, the reply I received was not acceptable. The issue raised in the question must be addressed. I wish to advise the Minister of State that those employees felt they needed to raise an issue, which they did, and it is not the only location at which there are issues in respect of bullying. There are a number of areas in the OPW where cases have been raised and have proceeded to some form of arbitration and yet when I asked the question, I was given short shrift. I do not accept that. I ask that the officials review my parliamentary question and I hope the query raised will be addressed.

I now have a question on insurance, where a business has been affected by flooding and does not have insurance. A number of businesses made claims under the Department scheme, but the level of compensation was very low. Businesses have folded because of the flooding. It will cost them substantially more than what is on offer from the OPW to get back into business. In the particular case I am speaking about, one is looking at a cost of €250,000 to get back into business. What is on offer will not allow those concerned to do so. Is any effort being made to look at these cases? I would not imagine there is a significant number of such businesses throughout the country, but there are cases of a businesses beside a river which have been in operation for 100 years and are now affected and cannot now get insurance. They cannot get back into business, cannot get insurance and had no cover for the last flood. Is there some way the Department would look separately at them or are they completely on their own, with the jobs lost and businesses lost?

**Deputy Seán Canney:** I acknowledge the Chairman's words on Durrow Abbey House. The OPW will arrange a meeting shortly with the people involved and when they meet, if they jointly feel that mediation is the way to go, they can set out the ground rules by which it will work.

I will speak to my officials about the other issue raised, which was about bullying. I do not think we should discuss personnel disputes in a public forum, so we will come back to the Chairman on it.

**Chairman:** I accept that, but my concern was about the quality of the reply to the parliamentary question. As a Deputy trying to do his job as a member of Parliament, to be given the reply I received is not acceptable.

**Deputy Seán Canney:** The last matter refers to insurance. The Chairman is probably referring to the humanitarian aid available under a scheme operated by the Department of Social Protection. We have to be careful here. There might be a limited number of individual cases with a particular set of circumstances where there is a lot more involved. We could examine them. The problem, however, is that we have to quantify what we are looking at before deciding to spend money on it. We cannot have an open cheque book. It might be hard to determine the numbers and costs involved. That is a difficulty. The businesses that were flooded received immediate relief for that issue. They were out of business and could not re-open. It is a huge issue and I sympathise with those in that position, but perhaps we can examine it at the next inter-departmental group meeting.

**Chairman:** The cleaning of waterways was discussed earlier. Who is responsible for the cleaning of weirs? Is it the OPW or the local authorities?

**Mr. John Curtin:** It is an ownership question. Certain weirs are in private ownership and responsibility would rest with the private individual. Some weirs are navigational weirs and responsibility would rest with Waterways Ireland. However, most weirs are in private ownership.

**Deputy Seán Canney:** It is a problem to determine who owns them at times, but Waterways Ireland is-----

**Chairman:** Where the OPW constructs a weir - I am thinking of the Kilkenny flood relief scheme, which I think is an OPW project - for a lot of the questions asked, and despite the controversy in terms of funding around the project, the Kilkenny flood relief scheme is an excellent example. I think the OPW was cutting its teeth on it as well. It is great to be able to look back on the video and see how it was constructed. It is a great piece of information and education for the members who asked questions here this morning about how to deal with all the different issues something like it throws up. I am sure the OPW learned a lot from it.

**Deputy Seán Canney:** I will make one comment in that regard.

**Chairman:** I apologise, but I also wish to ask about how the OPW measures performance. What are the indicators the OPW has in place for measuring the quality, quantity and time-frames for outputs at strategic levels? What is the methodology used to measure how good a project the Department is funding is performing?

**Deputy Seán Canney:** There are different standards. The ISO standards would be used. Also, take flood relief projects for example, a programme is set up and that is all fed into the outputs. They are all standard key performance indicators and an analysis is carried out.

**Chairman:** The Minister of State might provide us with a note on that and how the Department functions in terms of examining and analysing all these aspects.

**Deputy Seán Canney:** There is one comment I wish to make. The Chairman mentioned the flooding in Kilkenny and reviewing the video or the pictures of how the work was done. That reminded me of the work being carried out in Claregalway at the moment. Work is being carried out on the bridge and the channels underneath are being deepened. These are fantastic engineering projects and future engineers will look at them. Many people say that the OPW is to blame for this, that and the other, but there is some fantastic engineering work being carried out that will leave a legacy for the country.

**Chairman:** I thank the Minister of State and his officials for attending.

*Sitting suspended at 12.05 p.m. and resumed at 1 p.m.*

## **Estimates for Public Services 2016: Department of Public Expenditure and Reform**

**Chairman:** I welcome the Minister and his officials. I remind members and witnesses to turn off all mobile phones. I remind members of the longstanding parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable.

The purpose of the meeting is to review the Department and its expenditure. I invite the Minister to make his opening statement.

**Minister for Public Expenditure and Reform (Deputy Paschal Donohoe):** I thank the Chairman. When I appeared before the committee earlier in the year, I agreed to return for a discussion following the publication of the mid-year expenditure report. Members will recall that my Department's group of Votes comprises a significant number of Votes, as follows:

(i) The Vote for the Department of Public Expenditure and Reform, the Vote for the Office of Government Procurement and the Vote for the National Shared Services Office;

(ii) The Votes for a number of Offices under the aegis of my Department, including: – the State Laboratory, the Public Appointments Service and the Office of the Ombudsman; and

(iii) The Votes for Superannuation and Retired Allowances (which covers civil service pensions) and Secret Service.

The Vote for the remaining element of the Department of Public Expenditure and Reform, that is for the Office of Public Works, was handled separately by the committee this morning.

The structure of the Vote for the Department of Public Expenditure and Reform remains unchanged in 2016 from last year, with two strategic programmes focused on public expenditure and sectoral policy and public service management and reform.

The allocated resources for each programme, in terms of staffing and funding, are set out in Part 3 of the Estimate. A total gross estimate of €45.9 million is provided for 2016. The statement I gave to the committee in June dealt in detail with the areas covered by these programmes. I am not going to cover the same ground again, but I am willing to answer any questions which might arise on these matters today.

I would like to discuss some of the key strategic challenges currently faced by my Department and to listen to the views of members of the committee on these matters. I will begin with public expenditure policy and make a few comments in the context of budget 2017. I have already set out in some detail at the Select Committee on Budgetary Oversight the key points that are relevant for this committee.

The Government is very supportive and is engaging with the Oireachtas in respect of an enhanced input into discussions on budgetary priorities and it is for this reason that I published the mid-year expenditure report. This follows on from the summer economic statement, which sets out the Government's medium-term budgetary strategy. The summer economic statement envisages that day-to-day spending on public services will increase by €1.3 billion to €53.1 billion in 2017.

We also expect that capital investment will increase by €400 million to give a total capital spending of €4.4 billion. This is to provide for continued investment in our schools, health care facilities and transport network. It also allows us to invest more in housing to address the serious pressures that exist there.

The State now employs more than 66,000 teachers, 10,000 doctors and 41,000 nurses in our education and health sectors, all figures up on 2013.

This targeted investment in front-line staff has come hand in hand with real reform and a focus on excellence in public service delivery. For example, linking the provision of additional funding in the health sector this year to an accountability framework for the acute hospital sector will help to ensure sustainability for our health system in future years.

The main aim for budget 2017 is to deliver sustainable public services that are fiscally prudent or affordable while looking to make improvements. There are many competing demands for scarce resources but if the main challenges and priorities are to be addressed, it is not enough to look at the incremental increases to services. We have to look at how we are ef-

fectively spending what is available to us at present.

I would like now to touch on the issue of public service pay. Control of the public service pay bill is vital to the overall sustainability of the public finances. This means responsibility on the two core drivers of the pay bill: the numbers of public servants employed and their rates of remuneration. Thankfully, we are making progress in this area.

The Government has allocated funding for extra gardaí, doctors, nurses, teachers and special needs assistants in order to support essential front-line services. This increase in resources has been accomplished in tandem with real pay restoration under the Lansdowne Road agreement, LRA. This agreement provides certainty and predictability to the management of the public service pay bill. It allows for strong fiscal planning with resources ring-fenced for sustainable pay restoration, balancing the competing claims for additional Government expenditure within the resources available. It provides a framework for negotiating on issues that matter to public servants – a good example of this is the recent agreement with the INTO and TUI on new entrant teacher pay.

A final development worth noting is the agreement in principle by the Government to establish an independent public service pay commission. Its role will be to provide evidence-based analysis on pay matters to assist officials and the Government in discharging their negotiation function on behalf of Government. The commission will be advisory in nature and will report initially by the middle of next year. A consultation is currently underway on the role and structure of this body and I intend to bring a memorandum to Government shortly.

Moving on to the broader reform, effective management and sustainable pay policy go hand in hand with meaningful reform of our public services. The importance of efficiency cannot be overstated; it has significant consequences for finances and job creation. Most important, the public service provides essential services for our people when they need them most.

We have made progress under the current public service reform plan to deliver better outcomes. Service users, whether citizens or business customers, are being placed at the centre of service design and delivery. We are working to achieve better outcomes for customers by prioritising the digitisation of services, as set out in the public service ICT strategy, to recognise how expectations for technology-enabled Government services have risen significantly in recent years.

Successful delivery of the ICT strategy will require a significant increase in the provision for the Office of the Government Chief Information Officer, within my Department, to be offset by savings elsewhere across the system.

We will fund much of this programme by combining our buying power, sharing our assets across Government and driving out and reducing duplication. This is a vital investment in modernisation, to reap substantial benefits across the system. We aim to streamline processes and enable citizens to transact wholly online with Government and access Government services digitally.

Elsewhere, implementation of the actions under the Civil Service renewal plan to improve capacity and capability are continuing. The plan is implementing important changes, strengthening governance, delivering and developing capacity and improving our approach to HR in the system.

However, while acknowledging we have made progress I firmly believe there is a need to



build on this progress and maintain a strong focus on reform over the coming years. That is why, in addition to completing the current phase of the reform plan, I have asked my Department to initiate the development of the next phase of public service reform to cover the period 2017-19. I would be very pleased to hear the views of members on this next phase.

In parallel with this programme we continue to make progress in delivering more open, transparent and accountable Government with a number of significant changes, in areas including freedom of information, protected disclosures, regulation of lobbying and appointments to State boards. I am always mindful of more progress that we need to make. For example, work is well under way on Ireland's second national action plan under the Open Government Partnership.

Significant progress continues to be made on the open data initiative. Ireland's open data portal, *data.gov.ie*, now contains over 4,400 datasets from 90 publishers and is growing all the time. A data-sharing and governance Bill is also being prepared to simplify data-sharing between public service bodies while also protecting the rights of individuals.

The Public Sector Standards Bill is designed to modernise, simplify and streamline the current framework for ethics, which is in urgent need of reform. Initiatives such as these are vital if we are to achieve fully the objectives of increased transparency, integrity and accountability underlying the Government's reform of our public life.

I will conclude by turning to some other Votes in the Public Expenditure and Reform group. The roll-out of shared services and the reform of public procurement are central in delivering the efficiency-focused reforms set out in the public service reform plan. In this regard, the combined 2016 allocation for both the National Shared Services Office and the Office of Government Procurement is now €57.8 million. The 2016 allocation for Vote 2012, that is superannuation and retired allowances, is just under €527 million gross or €392 million net.

Each year there is a net increase in the number of pensioners due to retirements. It of course has the effect of increasing payroll cost year-on-year. In addition, Civil Service demographics means there has been an increase in the numbers eligible to retire in recent years. For these reasons I expect the gross expenditure Estimate for 2017 to be higher than the 2016 Estimate. There will be an offset in increase in the receipts to the Vote. The committee has been supplied with a detailed briefing by my Department's officials on the various Votes in the PER group, including those of sub-offices.

The final matter I want to address is the new statement of strategy. Members will be aware that the development of a three-year statement of strategy is a requirement for every Department under the Public Services Management Act 1997. Under the legislation a new statement of strategy must be submitted to a Minister within six months of his or her appointment. Therefore, the process to develop a new statement is under way in all Departments, including my own. This work will, of course, be informed by the priorities set out in A Programme for a Partnership Government and the overall economic budgetary and fiscal context.

The development of this strategy is extremely important for every Department in terms of its mid-term direction, its business planning and how it allocates resources and manages risk, and provides a framework for reporting on progress made during each year of the strategy. It will be a timely opportunity to take stock, to look at what we have delivered, to look at choices, challenges and risks, to re-examine our values, our strengths and capacity to deliver on our strategic goals. I invite members of the committee to share their views on this matter and ask

that they be good enough to write to me by the middle of October on this matter. I will benefit from hearing the views of the members.

While we have achieved much we are still borrowing to fund public services and debt remains high. The objective of delivering and improving public services within budgetary parameters remains a huge goal for all Departments and offices. I look forward to hearing the views of the members on how we can maintain public finances while meeting the needs of those we serve. I thank members for their time and look forward to answering questions.

**Chairman:** I thank the Minister.

**Deputy Paul Murphy:** I thank the Minister.

One of the more interesting parts of the expenditure report was the part on expenditure rules. It contains a lot. In summary, empirical evidence suggests the existence of a negative correlation between public investment and the use of an expenditure rule estimating that countries with an expenditure rule in place will see the ratio of gross fixed capital formation to GDP decrease by almost 0.6%. Is that an admission that the fiscal rules hamper the necessary public investment in, for example, housing or any area one wants?

**Deputy Paschal Donohoe:** No. What we have always been conscious of, and the Government and I have articulated this on a number of occasions, is that we need greater recognition of the difference between current and capital expenditure when they are being accounted for within national accounts. Where progress has been made is in how capital expenditure is treated differently within the fiscal space measurement versus current expenditure. We believe more work needs to be done in this area. A particular area that we have prioritised is the gaining of full guidance on how off-balance sheet expenditure would be treated in the future. It is an important source of investment in any economy and we believe opportunities exist for Ireland in regard to this matter.

**Deputy Paul Murphy:** The option of going off-balance sheet was also covered by the report, that is to simply develop extra budgetary or quasi-fiscal activities. That, effectively, refers to off-balance sheet, PPPs and suchlike. The report does not refer to them as a positive but as a negative. Is there not a fundamental problem with the expenditure rule as it is currently written even on that limited basis? Is the Government arguing with the Commission that the rule should be amended? Does the Government accept the rule?

**Deputy Paschal Donohoe:** No, we are dealing with the Commission on how capital expenditure is recognised. With an economy and a country like our own that has such growing capital needs in the future and, clearly, a high level of social need now, we believe that capital expenditure needs to be evaluated in a different manner. That is why we are dealing with the matter of how capital expenditure is dealt with on our balance sheet.

**Deputy Paul Murphy:** The report also says that expenditure rules seem to be effective in mitigating the pro-cyclical bias which characterises Government spending. If there was a recession tomorrow the fiscal space would shrink to a negative figure and to keep within the fiscal space it would be necessary to introduce extra cuts. Can the Minister explain how that is not pro-cyclical?

**Deputy Paschal Donohoe:** The other dimension of the fiscal rules is management of the fiscal space in the way the Government is committed to. One should see a decline in the debt and the deficit begin to reduce, to converge on becoming a surplus as the Government is com-

mitted to balancing its books. The flexibility that one gains in the health of one's key metrics, like debt and deficit levels, is what then gives the government of the day the resources to respond to a change in economic circumstances. That is also the reason that we are committed to developing a rainy day fund. In recognition of the point made by the Deputy, the time one needs to increase investment in an economy, from a public point of view, is when private investment or consumption is falling. That is why we believe it is an important objective in the coming years to put in place a fund that has the ability to respond to that situation.

**Deputy Paul Murphy:** One could argue that we already have a rainy day fund in the shape of the Strategic Investment Fund. We are not allowed to spend it as long as the fiscal rules remain, at least as they are currently formulated, precisely because of the expenditure rules. What use is there in having a rainy day fund if we are going to be constrained within this limited fiscal space?

**Deputy Paschal Donohoe:** No. We are allowed to spend it, clearly, but it must be treated in a particular way.

To directly answer the Deputy's question on how these rules and guidelines can help during a period of economic contraction, where they are meant to help is when one is in a period of either growth or stability. One uses that period to get the deficit down and get debt under control so that when one is faced with the situation mentioned by the Deputy one is in a position to invest. What is a disaster for an economy and a country, more importantly, is the kind of cycle that we have just gone through. It was a time that our economy needed investment and needed investment in public services but we could not do so because our deficit was too high and nobody would lend to Ireland.

**Deputy Paul Murphy:** The rules are blatantly pro-cyclical in the sense that if one had a recession tomorrow with 0% growth then one would have to cut spending. Those are the fiscal rules as they currently exist. Governments just say these rules exist to mitigate the pro-cyclical bias. It is impossible to explain that the existing rules are not pro-cyclical. If there is a crisis or recession further austerity will be required according to these simple fiscal rules.

**Deputy Paschal Donohoe:** No. The measure of the expenditure rules, and where they put their focus on, is on the structural deficit. Recognition is taken of that in the expenditure benchmarks. As the Deputy well knows, the purpose of the structural deficit is to try to strip out the volatility that happens in the revenues of a Government at any point in time. The expenditure benchmark is also calculated so that it looks at the ten-year performance of an economy as opposed to where an economy is at any one point in time. They are the capacities that are in place for a Government to respond to a recessionary period.

**Deputy Paul Murphy:** Both the structural deficit and a ten-year growth are arbitrary figures. The point is also how they interact with the other rules. The Minister has said that the fiscal space this year is €1 billion.

**Deputy Paschal Donohoe:** It is €600 million in current expenditure, €250 million in capital expenditure and the Minister for Finance has said it is around €300 million for tax measures.

**Deputy Paul Murphy:** If everything were to remain the same except for a GDP growth rate of 0% this year and a projected 0% rate next year, can the Minister tell me roughly what the fiscal space would be?

**Deputy Paschal Donohoe:** Of course I cannot.

**Deputy Paul Murphy:** Why not?

**Deputy Paschal Donohoe:** I am not a calculating machine. I cannot-----

**Deputy Paul Murphy:** The Minister is surrounded by calculating machines.

**Deputy Paschal Donohoe:** Whatever facilities I have do not include being able to respond to such a question off the top of my head.

**Deputy Paul Murphy:** I did the figures previously. I do not have them in front of me.

**Deputy Paschal Donohoe:** Of course, were I to try, I would probably be wrong and then the Deputy would be correcting me tomorrow.

**Deputy Paul Murphy:** I did the figures previously and they were negative. I think it is obvious that they would be negative but I did them regardless. It proves the point that the figures are procyclical. The Minister can say what he likes and that they are not but they are.

**Deputy Paschal Donohoe:** The next time I appear before the committee, if the Deputy shares those figures with me-----

**Deputy Paul Murphy:** No, the Minister should share his figures with me next time. He should come up with his calculations.

**Deputy Paschal Donohoe:** I will have an opportunity to work on and consider some of the scenarios to which the Deputy refers. However, as I have said, I take a different point of view from his on the matter.

**Deputy Paul Murphy:** Regarding the other areas, we have this recovery but the figures significantly overstate the recovery. We can have a big discussion about the nature of the recovery, where its benefits are going and the fact that the majority of people do not feel it. How will we have a real recovery that is felt by the majority and that leads to sustainable growth and increases in living standards without a significant increase in public expenditure? At the moment total spending is down about €5 billion a year on 2008. Capital expenditure in 2008 was €8.5 billion; it is projected at €4.4 billion next year. Expenditure on housing is €1.4 billion, less than half of what it was in 2008. Does the Minister agree that it is necessary to significantly increase public expenditure if there is to be a real recovery for the majority?

**Deputy Paschal Donohoe:** Not necessarily. It is possible for people to feel a recovery with paced and affordable increases in public expenditure. A big difference between the Deputy and me is that I believe over time - the mid-year expenditure report lays out a pathway for this - that Government expenditure will have to increase and should increase. We need higher levels of public expenditure to invest in facilities and services for people to give them better support in their lives and for our economy to do better. However, we must get to that higher level of public expenditure over time and it must be matched by a growth in tax revenue to allow those steady increases to be delivered.

**Deputy Paul Murphy:** I am all for a growth in tax revenue; the question is where it comes from. Regarding the public service, we had 320,000 public sector workers in 2008. At the end of 2015, there were just under 300,000 public sector workers. Just over 20,000 public sector workers are missing when our population has grown by, I think, 270,000. How is it possible to provide quality public services to people given a relatively significant reduction in public service numbers and an increase in the population?

**Deputy Paschal Donohoe:** Increasing better public services for people is not all about hiring more people to provide those public services. It is also about what we could do with efficiency and the output per person. That said, the number of people employed to provide public services, particularly in our front-line services, is a very big part of the equation. We have seen that over time, in line with a recovery taking place, we have been able to increase investment in the hiring of more public servants. For example, since the beginning of 2015, when the economy created the resources to do it, we have been able to hire more front-line public servants, including more people working in health, teachers, special needs assistants, SNAs, resource teachers and gardaí. Since that point, the number of people involved in front-line services has increased by 8,500 to 298,000, so there has been an increase in the number of people doing that work. If one looks at our current position for 2016, we expect we will have 306,800 people working in our public services, which is an increase of 8,600, so we are increasing the number of people working in front-line services, which is paid for by the steady increase in tax revenue that we discussed earlier on.

**Deputy Paul Murphy:** Appointments are detailed in Vote 17. Reference is made to 3,053 appointments to date in 2016.

**Deputy Paschal Donohoe:** Could I double-check that the Deputy is referring to the Public Appointments Service?

**Deputy Paul Murphy:** Yes. Elsewhere, I think in the same category, reference is made to an increase in staff numbers of 8,000, so there seems to be a discrepancy between the number of appointments and the increase in staff numbers. Is that accounted for by people in temporary positions and so on?

**Deputy Paschal Donohoe:** No. The Public Appointments Service is the organisation that deals with the appointment of senior civil servants or board members, as opposed to the front-line staff we are discussing at the moment.

**Deputy Paul Murphy:** The last question, a key one, is pay restoration. It is clear now when one considers the teachers and the gardaí that workers will not wait for the pay restoration schedule planned by the Government. We are talking about workers who suffered because of the crisis and who, under pressure, agreed - I would not say volunteered - to give up pay. Now they hear all the talk about the recovery. They know the Government fights for Apple to keep its €13 billion, or rather our €13 billion, and they say they want to see recovery and a raise. How much would it cost to restore pay to all public servants in budget 2017, for example, and why would the Government not do that?

**Deputy Paschal Donohoe:** The cost of full FEMPI restoration across a given year would be around €1.4 billion.

**Deputy Paul Murphy:** Why not do it?

**Deputy Paschal Donohoe:** I acknowledge the huge contribution and sacrifices that all our public servants have made. Our country would not be where it is now without that level of sacrifice. As to why we cannot restore the full amount, let us acknowledge what we are restoring at the moment. Under the Lansdowne Road agreement, by the third year of it, €840 million in wages will be restored, either through lower pension-related deduction, PRD, or an increase in wages targeted at people on low and middle incomes. Therefore, we are seeing wage restoration take place through the Lansdowne Road agreement. The Deputy asks me why we cannot

deliver full wage restoration, which equates to reversing out of the FEMPI legislation and going back to pre-crisis salary levels. The answer is that money is not available to the Government to do so. He asked me earlier about fiscal space and what is available. There is €600 million available to the Government and we must balance the need for better services and more services that the country wants with our ability to properly pay people who are delivering those services. That is why the Lansdowne Road agreement is so important. We are restoring wages but we will have to do it at a rate that is affordable to the country and which ensures that we do not end up with an unaffordable wage bill in the future because when that happens, as I said in a previous hearing here, the unfunded wage increase of tomorrow is the savage wage cut of the following day. We have just come through that cycle and I do not want to see it happen again.

**Deputy Paul Murphy:** I am not sure that is the cycle we came through. I am not sure that we had a crisis because wages were too high. I think it is because we decided to bail out a bunch of banks and developers and put that cost onto the people but-----

**Deputy Paschal Donohoe:** I am not saying the cause of our crisis was simply our position regarding public expenditure, pay and our tax base. Other factors were at play, which I acknowledge, but it was a big factor in it.

**Deputy Paul Murphy:** Concretely, the gardaí's pay claim, which I support, poses a serious challenge to the Lansdowne Road agreement because they are saying they will not wait, that they will take action and the Government will come under pressure. I would support the exertion of this pressure to give a concession. Does this not pose a challenge to the Minister's strategy for dealing with pay restoration?

**Deputy Paschal Donohoe:** Of course it is a challenge but what is most important to me is that we have a rate of wage restoration that is affordable. The Deputy knows well that what would happen were we to reach a particular agreement on wages for the gardaí is that every other public servant would also expect it to happen.

**Chairman:** I apologise for interrupting the Minister but I ask him to check his mobile phone because there is interference.

**Deputy Paschal Donohoe:** I have actually lost my phone, so it is definitely not me.

**Chairman:** Someone has a phone near the desk.

**Deputy Paschal Donohoe:** It is back.

**Chairman:** In his opening statement, the Minister extended an invitation to write in or use this exchange to make suggestions. I tend to use these meetings as best I can to make suggestions. With regard to public service reform, page 31 of the mid-year expenditure report states there is evidence that Ireland has a strong record of efficient use of public funds. This may be the case generally. However, I want to address the fact we raise our taxes in a diligent manner but on the other side, there is the difficulty of monitoring the expenditure that takes place, which is the remit of the Department of Public Expenditure and Reform. In the context of this statement on the efficient use of public funds, how does the Minister see the State's oversight of the spend on the transport system? We give a big subvention through the Department of Transport, Tourism and Sport but it is not dealt with by the Comptroller and Auditor General. The school transport system is chaotic throughout the country and we have no insight into how this money is being spent. We have the section 38 and section 39 bodies in the HSE. We have the general difficulty that the HSE does not have a single accountancy system. We also have

the various State boards which are funded by the State with little transparency. We have had a recent controversy about the appointment of a CEO over the limit in terms of what the Minister recommends. How will the Minister deal with this?

**Deputy Paschal Donohoe:** I will begin with transport and the Chairman is right that some of the funding available, principally to the CIE group, via subvention might not be the study of Comptroller and Auditor and General but it is subject to Oireachtas scrutiny through the transport committee. When I was Minister for Transport, Tourism and Sport, I appeared before the committee regularly to discuss subvention and the services being delivered. I had to answer questions on many occasions on services the public expected to see delivered and the level of subvention paid for them. This mechanism certainly was available.

With regard to State boards and their accountability to the Oireachtas, my understanding is the chairman of Horse Racing Ireland will appear before the relevant Oireachtas committee to answer questions on the matter and the Minister for Agriculture, Food and the Marine appeared before the committee on Tuesday evening and answered questions on the issue. As a matter of course, I expect those chairing important State boards to appear before the relevant Oireachtas committee. It is the case in the areas of transport, tourism and sport and the bodies for which I have responsibility appear before the Oireachtas committee.

**Chairman:** All of what the Minister has said is correct but it does not lead to transparency in the accounts. If money is allocated through the Department, or if the Department oversees the allocation of money through another Department, I expect someone will receive a comprehensive report on how the money is spent. While it is open to the Oireachtas committee to invite in the board, the CEO or the accounting officer, this does not happen regarding the accounts. We do not have sight of the accounts. We do not have a forensic examination of the accounts. I use the example of CIE because it involves a significant amount of money, within which is the school transport system that receives a significant amount of money and, in my opinion, serious issues arise in this regard. We do not seem as a State to be interested in pursuing the oversight of large amounts of money allocated through Departments to agencies and large organisations which provide services. There seems to be a reluctance on the part of the State to do this as well as a reluctance on the part of the Government, not just this Government but all Governments I have seen operate in the past, to provide the appropriate powers to the Comptroller and Auditor General to conduct an examination of the spend of taxpayers' money to the point of where it is spent. I say this because I served on committees where in opposition Members said one thing and produced reports but when in government those reports were never implemented. This is not a criticism of this Government, it is every Government.

I am anxious to see the type of reforms that will give us oversight in a way that satisfies the Members of the House and the members of the public who ask questions. Is there any movement towards this type of reform and towards grasping the nettle and dealing with these matters? One of the options for a Member of Parliament is to table a parliamentary question. The Minister should look at some of the answers to those questions. One can ask six different questions about the school transport system and one will get the exact same answer, cut and pasted, which does not deal with the issue or answer the question. It just gives one a whole load of rubbish. This is a waste of taxpayers' money and waste of people's time. I ask again whether we can look forward to the type of reform needed to have this forensic examination and accountability?

**Deputy Paschal Donohoe:** The Department certainly does all it can to identify where tax money is allocated, what it is spent on and how it is spent. It works with all Departments on

this matter. With regard to changes, I remember serving with the Chairman on the Committee of Public Accounts and the questions I could not get answered. Perhaps I now have a deeper understanding of some of these matters and the constraints on people when they answer such questions. If we were to look at changes we have made to try to deal with some of the issues to which the Chairman referred, we recently launched a Government service of economists. We have tried to bring together a group of economists, located in the Department, to provide me as Minister and the public a better economic appraisal of services we deliver. We have also just launched a new code of practice for semi-State governance. I did this during the summer. My expectation is that all semi-State bodies will have implemented it by next year and that it will be rolled out across all bodies.

The accounts of semi-State bodies are audited in accordance with company and commercial law. In nearly all cases, regardless of whether accounts are subject to scrutiny by the Comptroller and Auditor General, they are published. I do not, respectfully, accept that there has been any attempt on the part of this or any previous Government to turn a blind eye to how money is spent. We try to adopt the clearest stance we can on matters that are raised, but people can remain dissatisfied with the service they receive, be it in the school transport system or any other area. Even if we can provide a good reason a service is not being provided, it will never be a substitute for the service not being delivered.

**Chairman:** With respect, I do not know if the Minister has ever looked at company accounts.

**Deputy Paschal Donohoe:** I have.

**Chairman:** One will never find in the accounts for the school transport system an explanation for costs incurred or information on whether the system is profitable. I have looked at the accounts and could not find that information. On how Government money is spent and accounted for, I refer the Minister to the spending of taxpayers' money on the Galway project which was the subject of a "Prime Time" programme the other evening and the Tipperary hostel project. There are various Government agencies involved in the Tipperary hostel project - I do not expect the Minister to know about it - on which €6 million has been spent. When I inquire about it, I am told that the money was paid out and those involved are accountable for how it was spent. I invite the Minister to look at the place. No Department will take responsibility for the delivery of the project or how the €6 million spent could have been put to better use. We could exchange words all day, but there are significant examples of the State not taking control of expenditure it has incurred. There is significant proof, for example, that CIE in the case of its school transport service and many other agencies do not account for the spending of money, outside their audited accounts. I am speaking about allocations from local government, direct funding from the State or a Department. There is no comprehensive breakdown to show how money is being spent. I understand there was a committee that many years ago dealt with semi-State agencies. There are many bad examples in that regard.

On Horse Racing Ireland, representatives of which will appear before the relevant committee, the reforms provide for board members only to be paid a particular amount and only to serve a seven-year term. Horse Racing Ireland is in breach of that provision.

**Deputy Paschal Donohoe:** No, the policy is clear. It provides that if a business case is made for an increase in remuneration or length of service on the board of an individual, the Minister can make a decision on it. It is not the case that policy has been breached in the case mentioned by the Chairman.



**Chairman:** Is the Minister happy with the appointment?

**Deputy Paschal Donohoe:** The Minister for Agriculture, Food and the Marine, Deputy Michael Creed, has made clear his view which I share, that in terms of sequencing, the appointment should have been handled differently by the board of Horse Racing Ireland, but there has not been a breach of policy. I do not want to create the impression that I support the view that Government policy has been breached.

**Chairman:** That is fine.

**Deputy Paschal Donohoe:** There is a provision in place which provides for the making of a business case and it was availed of in this instance. I do, however, accept the Chairman's view that the appointment, in terms of sequencing and choices, should have been handled differently.

On accounting for expenditure, I have provided the committee with a booklet which explains how money in my Department is spent. I accept, as I have many times in my contribution, that there will always be cases in which we could do better, but it is not true to say this or any previous Government has turned a blind eye to how money is spent. That does not happen.

**Chairman:** I did not say that.

**Deputy Paschal Donohoe:** What did the Chairman say?

**Chairman:** That is twisting my words.

**Deputy Paschal Donohoe:** Okay.

**Chairman:** The point I am making is that greater accountability is required for how taxpayers' money is spent, down to the point where it is spent. That requires reform of the legislation. I am not pointing a finger at a particular Department. I am saying there is a significant lack of oversight of the spending of taxpayers' money and how it is reported to the parent Department and thereafter the Department of Public Expenditure and Reform. There is a difference of opinion, but I am not saying anybody has turned a blind eye to anything. I am saying that, in terms of oversight, there is a gap in the legislation and the powers of the Office of the Comptroller and Auditor General, a matter which could easily be remedied. For example, if I was to ask the Office of the Comptroller and Auditor General to explain how the school transport budget was spent, it would not be able to answer that question, although it should be able to do so. I will leave it at that.

**Deputy Paschal Donohoe:** Would the chairman or the chief executive of Bus Éireann be in a position to answer questions on school transport, given that it provides the service in question?

**Chairman:** I am speaking about accountability through a particular office for the spending of a particular amount of money which is quite large. I use the school transport system as an example, but there are others. I have said privately to the Minister that the provision in the legislation which empowers the Office of the Comptroller and Auditor General to examine the spending of taxpayers' money, down to the point where it is spent, should be applied across all Departments. That would certainly bring about greater accountability and provide for greater and easier access by parliamentarians to accounts. It is similar to the point I have often made about local government. While there is a local government audit section, when does one ever see its work played out publicly? That does not happen. I know that each local authority is

empowered to do so, but it does not happen in the same way that it would happen in the case of Parliament. The point I am making is that local government auditing involves an examination of moneys collected through rates and so on. What we need is an examination of moneys allocated by central government, which figure at one stage was in the region of €4 billion per annum but which has since reduced to approximately €2 billion.

Who will serve on the public service pay commission and will there be outsiders involved?

**Deputy Paschal Donohoe:** What does the Chairman mean by “outsiders”?

**Chairman:** Will it be made up of officials from Departments or will it comprise persons who are competent in the area? Will there be an input from business and other areas?

**Deputy Paschal Donohoe:** Officials in my Department are competent in the area. It is my objective that the commission will comprise a broad mix of individuals.

**Chairman:** Will the members of the commission be appointed by the Minister or will different sectors appoint individuals to it?

**Deputy Paschal Donohoe:** Ultimately, I will make the appointments. It is my objective to have a mix of individuals in the commission.

**Chairman:** Might Michael O’Leary be a member of it?

**Deputy Paschal Donohoe:** I do not know if the mix will be that broad. I also do not know whether Mr. O’Leary, if asked to serve on the commission, would agree to do so. Deputy Paul Murphy might have a view on that if we were to do it.

**Chairman:** How many individuals who have come directly from the private sector are employed in the higher levels of the Civil Service now?

**Deputy Paschal Donohoe:** I will have to come back to you with an answer. Off the top of my head, I am aware of a number of Secretaries General with experience in the private sector who have been appointed recently.

**Chairman:** Yes, but they are recently appointed. The Minister might let us have the information on that.

**Deputy Paschal Donohoe:** I will come back to you with that figure.

**Chairman:** I heard on the radio this morning that the Garda representatives wish to meet the Minister. Does he consider that a worthwhile step in terms of their negotiations?

**Deputy Paschal Donohoe:** It is definitely worthwhile. There is a need for further engagement between the Government and An Garda Síochána on this matter. What has occurred is a very serious development. We have great respect for the work of An Garda Síochána and we must have the Lansdowne Road agreement honoured and implemented. The precedent is that the Minister who has responsibility for that policy area, the Tánaiste and Minister for Justice and Equality, leads the negotiation. I and my Department will provide the Minister with any support and assistance we can.

**Chairman:** I should explain the absence of members, particularly Members of the Seanad. They are currently listening to the Taoiseach. I hope the Minister understands.

**Deputy Michael D'Arcy:** There are also questions to the Minister for Finance in the Dáil and the Committee of Public Accounts is meeting next door.

**Chairman:** Exactly.

**Deputy Michael D'Arcy:** What is the Minister's opinion on the gardaí pretending not to be striking? Does he have an opinion on it?

**Deputy Paschal Donohoe:** The industrial activity they have indicated they might commence has not begun yet and is a number of weeks away. The Garda Commissioner and her senior staff have made it clear that they believe it is very important that there be a period of discussion about what has happened. As I said to the Chairman, we have great respect for the work of the Garda and are aware of the particular nature of that work. However, along with that, I must ensure that the wages paid by the State are affordable both now and in the future. That is the reason the Lansdowne Road agreement is so important.

**Deputy Michael D'Arcy:** I understand that. I do not wish to labour the point but the Garda Representative Association, GRA, has said the gardaí are going on strike but it is pretending it is not a strike. That is clearly illegal. It is clearly a challenge to the senior management of An Garda Síochána. One can dress it and spin it, and some members of the GRA have done quite a good job on that also, but will the Minister give his opinion on that specific issue?

**Deputy Paschal Donohoe:** We are referring to a statement made yesterday afternoon. My message is that we wish to support the Garda and its work but we must honour the commitments we have made to everybody who works in our country's public services. Along with the Tánaiste, I wish to engage in a process and any action required that deals with the GRA's concerns but respects the fact that there are tens of thousands of members of our public service who have already signed up to the Lansdowne Road agreement. That is where my focus will be.

**Deputy Michael D'Arcy:** Does the Minister see it as a challenge to the Garda Commissioner's authority?

**Deputy Paschal Donohoe:** The Garda Commissioner will, and is well able to, comment on that matter. What is more important for me is to acknowledge that this is a serious matter and that we must work to seek to resolve it. However, we must do so in a way that is consistent with the broad commitments we have under the Lansdowne Road agreement.

**Deputy Michael D'Arcy:** I will leave it at that. On the last occasion the Minister appeared before the committee, I tried to probe the numbers of staff who work for the State. The Minister gave them just before I arrived, so I probably missed them. However, I wish to compare the number of people now with the number at the peak of the boom. The figure I am seeking is the number who are working now and who are on pensions as opposed to the numbers who were working and on pensions at the peak of the boom. I am trying to get the comparison between 2007 and 2017, a decade later.

**Deputy Paschal Donohoe:** If I could understand the Deputy's question better, does he want to know how many we have working in our public service currently?

**Deputy Michael D'Arcy:** Yes.

**Deputy Paschal Donohoe:** I will answer that first. The number working in the public services at the end of the second quarter of this year was 302,439.

**Deputy Michael D'Arcy:** Does the Minister have the number of retired civil and public service staff who are currently on pension?

**Deputy Paschal Donohoe:** I have the spend. We spent, in gross terms for 2016, €527 million on our pension bill, the net cost of which was €392 million. I do not have the number of people who are currently on pensions but my officials will try to get it for the Deputy while I am answering other questions.

**Deputy Michael D'Arcy:** The Minister can give it to me when he finds it. The Minister said previously that we will now spend more or less the same amount as we spent in 2007.

**Deputy Paschal Donohoe:** In current expenditure, in 2017 we will be within €200 million of what we spent in 2008.

**Deputy Michael D'Arcy:** The capital spend is significantly reduced.

**Deputy Paschal Donohoe:** It is not significantly reduced but it is down. Much of that reduction would be due to the fact that in 2008 and 2009, we were spending more on assets and services than we should have been. However, it is down.

**Deputy Michael D'Arcy:** The Minister gave a figure of €1.4 billion for pay restoration. What I am trying to reconcile, and it is not an ideological reconciliation but just a matter of fact, is that we are spending as much now as we were in 2008. We have taken a huge number of people out of the tax net. There are a number of issues on which politics and politicians are hooked. Some want to get rid of the USC and some want people on low pay not to pay any tax. However, with that level of expenditure, the number of staff we have and a reduced capital programme, something will have to give. They all cannot occur. What is the Minister's position? What would he like to see occur with regard to USC and taking people out of the tax net? The figures show that 29% of people will pay no income tax. That is one of the highest rates in Europe. There is also the view of the Fine Gael Party that we should abolish the USC and there is talk of replacing it with something else for high earners. However, USC is pencilled in, which is over €4 billion. What is the Minister's position on those?

**Deputy Paschal Donohoe:** I will answer that question shortly. On the Deputy's earlier question, the number of Civil Service pensioners is 18,400. There are also individuals in receipt of public service pensions. We will send the figure the Deputy seeks to the committee secretariat.

I support the Government policy of reducing the USC over time. The key issue is that changes must be made in a measured manner. In reply to Deputy Paul Murphy's question on whether we needed a substantial increase in public expenditure, I indicated we must steadily increase public expenditure over time in a manner that is affordable and allows us to continue to make progress and increase efficiency. The same applies in respect of reductions in tax. The key issue is to ensure changes are made on a graduated basis over time and we do not lose sight of our income and expenditure levels.

**Deputy Michael D'Arcy:** While I accept that taxation does not fall within his brief, the Minister indicated that the Government expects revenue from income tax to reach €19 billion in 2017. Income tax receipts stood at €13.5 billion in 2007. Clearly, therefore, income tax revenue has increased by a sizeable amount. A single person moves into the higher income tax rate on earnings of €33,800, which is one of the lowest thresholds for the higher rate in Europe. How can we juggle all these balls and continue to fund State services? As the Chairman stated,

our services are on a knife edge.

**Deputy Paschal Donohoe:** They are not on a knife edge. How can the Deputy say that? In the next 18 to 24 months, the Government aims to balance the books. That is not a definition of a knife edge. Some of the matters to which the Deputy referred come within the remit of the Minister for Finance and he will provide answers on them. As I stated, we will achieve balance in these areas by making steady and incremental change. Public expenditure should be increased and taxes reduced at a steady, moderate pace. I disagree with the Deputy that we are in a knife edge scenario. We were on a knife edge when nobody would lend to us but that is no longer the case.

**Deputy Michael D'Arcy:** Income from corporation tax was a couple of billion euro higher than anticipated. The amount of national debt we have to service is €4 billion lower than anticipated owing to the quantitative easing programme being pursued by the European Central Bank. I am criticising the position in which we find ourselves, rather than the Minister, when I point out that single earners start to pay 49.5% of their income in tax when their earnings reach €33,801. Taxpayers in all other EU countries do not move into the higher income tax bracket at anywhere near this low level. We are still talking about reducing taxes down and taking people out of the tax net.

While I appreciate the Minister's point that we must act slowly and incrementally, the changes in the national debt and corporation tax revenue were not envisaged in the budget for 2016. These have had significant benefits. We are on a knife edge.

**Deputy Paschal Donohoe:** We will be on a knife edge very quickly if we start using unexpected increases in receipts to reduce the taxes that pay for day to day spending. The Deputy referred to the increase in corporation tax receipts. The Minister for Finance has stated we will not use large increases in revenue in specific tax brackets to reduce tax levels for everybody or to fund large increases in public expenditure. To do so would bring us to a knife edge.

**Deputy Michael D'Arcy:** I understand that and great credit is due for reducing the debt to GDP ratio to a level nobody would have believed possible four or five years ago. At that time, Greek style figures of 125% and 130% were being bandied about. The debt to GDP ratio had declined to between 70% and 80% and continues to fall rapidly. Deputy Murphy wants pay restoration and does not want anyone on lower incomes to pay income tax, whereas the Fine Gael Party wants to remove the universal social charge. I do not know if we, the politicians, realise where we currently stand.

**Deputy Paschal Donohoe:** I have a particularly heightened appreciation of the current position because I am trying to deal with colleagues as a budget approaches.

**Deputy Michael D'Arcy:** When one considers the figures in light of all the requests and statements being made, I fear we will have another 1977 style bubble. I am speaking to some extent against party policy in saying that we cannot go there.

**Chairman:** The Minister's argument is that the Deputy should not worry because he is in safe hands.

**Deputy Michael D'Arcy:** I am glad that is the case. The reason I am pursuing this matter is that I am worried.

**Chairman:** The Deputy should not worry.

**Deputy Paschal Donohoe:** If the Deputy is referring to the abolition of rates in 1977-----

**Deputy Michael D’Arcy:** Motor tax and other tax measures were also abolished.

**Deputy Paschal Donohoe:** -----that is not a prospect for the budget in one and a half weeks’ time.

**Deputy Michael D’Arcy:** The garden is not as rosy as many people anticipated it would be.

**Deputy Paschal Donohoe:** It was an appreciation of that which fuelled my answers to Deputy Paul Murphy’s questions.

**Chairman:** Deputy D’Arcy is the only person who is worried. I do not know why he is worried when there are 15 officials present who are carrying the burden of worry on our behalf.

**Deputy Michael D’Arcy:** There are 14 of them and the Minister.

**Chairman:** The Minister worries too; he does not sleep at night knowing he must appear before the committee.

I have a brief point to make. In terms of State employees, certain Departments employ people on contracts and at some point let them go and replace them with others on similar contracts. Why do such employees not have their contracts extended when there is more work to be done? It is difficult to understand the reason for losing well qualified individuals who have worked in a certain position for some years for the sake of allowing someone in the Department to turn over contracts.

**Deputy Paschal Donohoe:** Will the Chairman provide a specific example without giving any names?

**Chairman:** I could give a number of examples but the one that comes to mind is the Companies Registration Office which is under considerable pressure as a result of the decision that people do not have to go to court to register a file. The office employs people on contracts which expire after a certain period, at which point someone else will be appointed.

**Deputy Paschal Donohoe:** Are other people appointed to do the same work?

**Chairman:** Yes. This does not seem to make sense. If I had an employee on a contract who was doing the job well, I would extend the contract rather than having to train someone else to do the same job, which is happening at present. I am merely bringing this matter to the Minister’s attention.

**Deputy Paschal Donohoe:** As it is a specific matter for the Companies Registration Office, I cannot comment on it.

**Chairman:** How is the Department preparing for Brexit under its various programmes? How is the Minister dealing with the issue and what future planning is taking place?

**Deputy Paschal Donohoe:** It has taken up a considerable amount of time and there are three areas in which it is impacting directly on my Department. The first is the mid-term consequences for economic growth in the State and the effect this could have on the resources available to me. The Department of Finance has changed its growth forecast for next year by half of one point, but owing to the way the fiscal space is calculated, that will not have an immediate effect next year. We are working with our colleagues in the Department of Finance to see what

effect it could have in the coming years in terms of our ability to pay for public services and capital investment.

The second area is the budget in looking at different choices we need to make because of the consequences of Brexit. It is a live topic, particularly for my colleagues in the Departments of Jobs, Enterprise and Innovation and Agriculture, Food and the Marine.

The third area is our engagement with our colleagues in the Northern Ireland Executive on EU funding programmes. This is very much a live matter, on which the Minister for Finance in Northern Ireland, Máirtín Ó Muilleoir, MP, and I are engaging.

A theme to which we will come back next year, not to mention in the rest of this year, is the short-term consequences for Ireland which will very much depend on the exit arrangements the United Kingdom will look to negotiate. It needs to decide first. We will be in a much better position to answer the committee's questions on the exact consequences for Ireland when we have that information and know what relationship it is anticipating with the Single Market, the customs union and all such matters. It is only when we are clear on that information that we will be able to give more detailed answers on the effects for Ireland in the long run.

**Chairman:** Within the Department there must be a way - I am sure the Minister is doing this - of getting that message out about Brexit, about where the weaknesses are and how the Government may react in particular circumstances. This is important for those that provide employment in this country and those who are employed in order that there will be as much certainty as one can provide.

**Deputy Paschal Donohoe:** Our colleagues in Enterprise Ireland and IDA Ireland, in particular, are doing that. My colleagues in the Department of Agriculture, Food and the Marine are also doing it. We are trying to provide as much certainty as we can. I repeat the point I made that a crucial element is knowing when exactly the United Kingdom wants to trigger Article 50 and will make its views very clear on the kind of relationship it wants. After that, it will be up to this State and the European Union to respond.

**Chairman:** I am sure committee members would appreciate receiving any information the Minister might have on the general approach being taken to Brexit.

**Deputy Paschal Donohoe:** Yes.

**Chairman:** That is a matter for consideration.

**Deputy Paschal Donohoe:** I thank the Chairman.

**Chairman:** I thank the Minister and his officials for attending.

The joint committee adjourned at 2.55 p.m. until 10 a.m. on Thursday, 6 October 2016.