Members present for all or part of the proceedings:
Miss Michelle McIlveen (Chairperson)
Mr William Irwin (Deputy Chairperson)
Mr Dominic Bradley
Mrs Brenda Hale
Mr David Hilditch
Mr Michael McGimpsey
Mrs Karen McKeivitt
Mr Cathal Ó hOisín
Mr Robin Swann

Witnesses:
Mr Donal Moran ) Department of Culture, Arts and Leisure
Mr Joe Gillespie )
Mr John Martin ) Waterways Ireland
Mr Éanna Rowe )

The Chairperson:
Good morning; you are very welcome to the Committee for Culture, Arts and Leisure. Perhaps you would make some introductory remarks.

Mr Donal Moran (Department of Culture, Arts and Leisure):
I will make some initial remarks and then pass over to John Martin, the chief executive officer in Waterways Ireland, who will give you a detailed briefing on the operations of the organisation. First, I thank the Chair and the Committee for giving us the opportunity to update you on the role and remit of Waterways Ireland. My name is Donal Moran, and I represent the Department of
Culture, Arts and Leisure (DCAL) today. At the end of May, I moved on from the branch that carries out the oversight function of Waterways Ireland in the Department, and I am covering today for a colleague who is unavailable. I will provide the Committee with a brief overview of the Department’s responsibilities for Waterways Ireland.

Waterways Ireland is the largest of the six North/South implementation bodies established under the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 following the Belfast/Good Friday Agreement. Waterways Ireland operates under the policy direction of the North/South Ministerial Council (NSMC) and the two Governments and is accountable to the Northern Ireland Assembly and the Houses of the Oireachtas. Waterways Ireland is jointly funded by the two Governments, with 15% of running costs funded from Northern Ireland through the Department of Culture, Arts and Leisure and 85% from the Republic of Ireland through the Department of Arts, Heritage and the Gaeltacht. That ratio reflects the present distribution of the 1,000 km of navigable waterways North and South. Each Government provides 100% funding for capital programmes in their own jurisdiction.

Waterways Ireland operates to the calendar year. DCAL allocated £5.14 million to the organisation in 2010. The Waterways Ireland business plan and budget for 2011 has not yet been finalised. It still requires Department of Finance and Personnel (DFP) ministerial and NSMC approval.

The sponsor Departments jointly monitor Waterways Ireland’s compliance with legislation and corporate governance requirements. Waterways Ireland does not have a board. However, the senior management team regularly meets senior staff from the sponsor Departments at monthly monitoring meetings to reappraise the body’s operational activity and any funding or accountability issues.

The organisation is responsible for the management, maintenance, development, and restoration of the following inland waterways systems throughout Ireland, principally for recreational purposes: the Barrow navigation, the Erne system, the Grand canal, the Royal canal, the Lower Bann navigation, the Shannon-Erne waterway and the Shannon navigation. Waterways Ireland’s headquarters are located in Enniskillen, County Fermanagh. The
organisation has three operational regions with three regional offices. The northern region has an office in Carrick-on-Shannon in County Leitrim, the western region has an office in Scariff, County Clare, and the eastern region has an office in Dublin. There are also a number of works depots around the system, including one in Coleraine. At present, Waterways Ireland has about 370 employees, the majority of whom are industrial staff.

I will hand over to John, who will introduce his colleagues and give some details on operations.

Mr John Martin (Waterways Ireland):
Thank you, Chairperson and Committee members. I am delighted to be here to inform you about the progress made by Waterways Ireland since its establishment. First, I would like to introduce my two colleagues: Joe Gillespie, our regional manager for the northern region, and Éanna Rowe, our head of marketing and communications.

As Donal said, our mandate in Waterways Ireland is to manage, maintain, develop and restore the inland navigable waterways under our control, principally for recreational purposes. I am pleased to state that we have a good relationship with both of our sponsor Departments: the Department of Culture, Arts and Leisure in the North and the Department of Arts, Heritage and the Gaeltacht in the South. When we were established, the Governments decided that the headquarters were to be in Enniskillen and that we were to have three regional offices in Dublin, Scariff in County Clare and Carrick-on-Shannon.

On establishment, our first major task was to set up a viable organisation. Initially, the body was staffed by seconded staff from both Civil Services, the majority of whom came from the predecessor organisations, which were the Department of Arts and Heritage in the South and the Rivers Agency in Northern Ireland. Initially, permanent staffing came about by the designation and transfer of 235 staff to the body: nine from the Rivers Agency and 225 from the Department in the South. The transferred staff were involved in the direct management and operation of the waterways. Therefore, our first challenge was to recruit staff to take over the core central services that had previously been provided by the Departments, such as the personnel, finance and IT functions. Our task, then, was to integrate new staff and the existing designated and
transferred staff into a single unified organisation.

All of the policies necessary to run the organisation had to be developed from scratch to take account of the practices and legislation in both jurisdictions. That took considerable time and effort. Throughout that period, the day-to-day operations to keep the waterways and everything else running still had to be carried out. It was important that we developed robust financial systems, procedures and controls to ensure proper accountability under our financial memorandum. Their effectiveness has been affirmed by the Comptroller and Audit General and, indeed, by the Public Accounts Committee.

I am delighted to inform you that Waterways Ireland achieved the status of ability company in 2010. It also won the award in the category of environmental accessibility at the 02 ability awards. We were pleased that our efforts in that area were recognised by that prestigious award.

We are organised into four divisions, which are detailed in the briefing paper. Our operations division manages and maintains the waterways, with more than 250 staff spread across the 1,000 km that we manage. We manage all the operation of maintenance functions, such as operating locks, weed cutting, dredging, replacement of markers, et cetera. They also carry out those capital works programmes for which we use our own direct labour force. Over the past 10 years, we have spent over £110 million on the maintenance of the waterways and over £80 million on capital projects.

The operations division also manages the property portfolio of Waterways Ireland. We have a large property portfolio in the South; we own the canals and part of the Shannon-Erne waterway. The increased development along the waterways has placed an onus on us to be vigilant to ensure that we get the best value for money and that we do not lose property to impending developments and people along the waterways.

We have a technical services division, which provides the design and supervision of all our major contract works, such as the bridge-building programme, through which we have just completed eight bridges — including six road bridges — on the Royal canal. We have a wide range of expertise in structural, civil and mechanical engineering, environmental engineering and
health and safety. They provide all the backup, design and advice to the operations division and carry out feasibility studies on future possible navigations. They are putting the final touches to the documents to submit for planning approval for the stretch of the Ulster canal from Lough Erne to Clones.

Our finance and personnel division manages the finance, personnel, IT and strategy sections and has developed a wide range of policies and procedures for personnel matters, financial systems, corporate and business planning, equality, etc. All those processes have led to our being in a position to provide sound financial planning and reports and to prepare our accounts for the Comptroller and Auditor General on time.

Our marketing division launched its marketing and promotion strategy in June 2004. As part of that strategy, we established a marketing advisory group with representatives from the Northern Ireland Tourist Board, Fáilte Ireland, Tourism Ireland, the Inland Waterways Association of Ireland, the Irish Boat Rental Association, the Erne Charter Boat Association and the Chambers of Commerce, North and South. That group has guided the strategy for the past number of years. We recently revised the strategy, and the review group found that only limited change was required.

I am particularly delighted with an initiative called Lakelands and Inland Waterways. We were central to developing and delivering that initiative, which is based on a stretch of waterway all the way from Belleek to Limerick, taking in a 30 km corridor along the route. For the first time, it has brought together all the tourism agencies on both sides of the border. Among the benefits to the waterways is that it is the first time that all the agencies responsible for tourism and product development have come together to market and develop the waterways and their hinterland as a single entity. It has also led, with our partners and all the local authorities along those waterways, to the preparation of a series of product development studies that will allow a more co-ordinated and holistic approach to development within the corridor. To date, we have completed studies covering the Erne, Shannon, Barrow and Dublin city canals, and the final three studies will cover the Lower Bann, the Grand canal and the Royal canal.

We have also put in place a highly successful sponsorship programme to support groups that
run events along the waterways. This year, we will sponsor over 70 events: 50 in the South and 23 in the North. The main events to date have been the Classic Fishing Festival and the all-Ireland Junior Angling Classic on the Erne. Coming up this weekend is the Loughfest in Enniskillen, and the Riverfest in Coleraine and the triathlon in Athlone take place the following weekend, with a range of fun days spread over the rest of the summer and autumn. Last year, it was estimated that over 120,000 people attended the sponsored events, spending in the region of £8 million.

I would also like to highlight our website, which we launched in 2006 and for which we received two Goldeneye awards. It has gained an AA quality rating. We had over five million hits in 2006, and that has increased to over 18 million in 2010.

All the actions I mentioned have the common objective of bringing customers to the waterways and, at the same time, communicating the attractions and opportunities that our waterways present.

A number of key matters arise from what I have just described. As a result of the works carried out by our staff, we have provided new or upgraded moorings of over 10,900 m. The need for such moorings can be seen from the number of boats using our system, which has trebled over the past 10 years from about 4,600 to over 13,300. There has been an increase of over 4,000 in the Erne, almost quadrupling the number of boats that were there, and an increase of 4,500 in the South, more than doubling the number that were there.

At the NSMC meeting in 2007, the Ministers gave Waterways Ireland responsibility for reopening the Ulster canal from Upper Lough Erne to Clones. The project is well under way. We have completed environmental studies and preliminary designs, met all the statutory bodies and practically all of the affected landowners, and we expect to apply for planning permission this summer. If all goes well with planning, we hope to commence land acquisition next year and be in a position to let a design-and-construct contract the following year, with a construction phase of approximately 21 months to 24 months.

As Donal mentioned, we have built a new headquarters in Enniskillen, and your predecessors
visited us and held a meeting of the Committee there in 2009. Obviously, if you were to consider coming west again to hold a meeting at some time during your current term, we would be delighted.

There are also challenges ahead for us. As we increased the amount of moorings, installed new facilities and brought more waterways into operation, the maintenance demand increased significantly. Our success in providing those moorings and encouraging the increased use of the waterways has also brought with it demands from customers for additional services, and those will have to be met to maintain a vibrant waterways system, but that will require significant funding into the future. The changing nature of technology, the advance of new and threatening weed species in our lakes and canals, the protection of the environment and changes in society bring their own challenges.

To that end, we are involved with 16 European partners in a project called Waterways Forward, which is looking at policy management structures, the effect of climate change, establishing better connections between business and waterways and the multifunctional use of waterways. In September, we will host a meeting of all partners in Dublin and Enniskillen. We are also involved in an invasive species group, which is made up of all of the relevant statutory agencies concerned with the major weed growth on Lough Erne.

All of those challenges are compounded by the straitened financial times in which we live. We expect to play our part by being as efficient as we possibly can and by using all of the means at our disposal to attract as many people as possible to our waterways, towpaths and towns and villages around the waterways. We want them to enjoy not only boating, but walking, cycling, fishing and other pursuits, both active and restful. In the long term, that will help to benefit the economy and improve the health of the community.

The Chairperson:
Thank you very much. You mentioned the restoration of the Clones to Upper Lough Erne section of the Ulster canal and that you are submitting proposals for planning permission. Will you provide an update on that and the projected timescales?
Mr Martin:
We have completed all the environmental studies, the strategic environmental assessment and the preliminary design. We expect to lodge the applications for planning permission in the North and South in the next two months. We will then be in the hands of the planners. It could take six or nine months to get planning permission, but we do not know. On the assumption that no objection is made to the Planning Appeals Board, An Bord Pleanála, in the South, which could add another year to the planning process, we hope that, by next spring, we will be in a position to commence the compulsory acquisition of the land that we need. That will probably take in the order of 12 months. If that were all to run smoothly, we would be in the position to go for a design-and-construct contract. That will probably take six months to put in place, and there will be a two-year contract. Those are rough figures.

The Chairperson:
So you are talking about a timescale of between three and four years.

Mr Martin:
If everything were to go swimmingly, it would probably be done in three to four years.

The Chairperson:
How much money have you allocated against the project?

Mr Martin:
The project is expected to cost in the order of €35 million. At the North/South Ministerial Council, the Irish Government committed to paying all of that money to start the project. The whole Ulster Canal, from Lough Neagh to Lough Erne, will cost close to €200 million, so to give the project a jump-start, the Irish Government agreed to fund the first 10 or 12 km. That is a matter for them. We will go for planning. When we are ready to acquire the land, we will have to ask for a definitive commitment to the money. My understanding is that there is no reason to expect that the money will not be made available.

Mr D Bradley:
Good morning. I notice that you have had an 8·5% reduction in your budget. Is that over a four-
year period?

**Mr Martin:**
Efficiencies have come in. Our budget has been cut by 3% per annum in the past couple of years. Also, there has been a drop in the sense that the capital moneys paid by each jurisdiction have dropped as well. We have cut the current money by 3% per annum as part of our budget.

**Mr D Bradley:**
How will that affect your operation?

**Mr Martin:**
Any cut in money makes life more difficult. However, the major reductions have been to the capital allocations. We have no capital for the next financial year from DCAL. Previously, we ran on €10 million a year from the South, but that is down to €6 million at the moment. When the capital goes, that is not a major issue. Our biggest problem is that we have spent so much money on additions to the waterways that the maintenance requirement is continuing to increase at a time when the pressure from Governments is to reduce spending.

**Mr D Bradley:**
Are you saying that you will have to put capital projects on hold for a number of years?

**Mr Martin:**
Yes. We are not proceeding with them. At one stage, when we looked at the number of capital projects that people would have liked us to do, the total cost came to over €500 million. We are spending €10 million a year; we have to cut our cloth to suit the money that we get.

**Mr D Bradley:**
Donal mentioned the 1999 Order that established Waterways Ireland. What is that legislation’s full title?

**Mr Moran:**
The full title is the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order
Mr D Bradley:
Does that stipulate the waterways with which the body will deal?

Mr Moran:
Yes. Waterways Ireland was listed as one of the North/South bodies, and the Order stipulates what the body will be.

Mr D Bradley:
Does it include a list of the waterways for which it is responsible?

Mr Moran:
Yes.

Mr D Bradley:
So there is no way of including another waterway, such as the Newry canal, unless the legislation is changed?

Mr Martin:
There is a facility in the Order to allow for additional waterways to be added to the schedule, but there is a procedure for that. We cannot do it; it is done by the North/South Ministerial Council and others.

Mr Hilditch:
I have a question about the impact of the economic downturn on the private sector and the reduction in the number of boats in the area. I had the pleasure of making the Lough Erne trip a number of years ago, and it was an extremely pleasant three or four days. Have you had discussions with the private sector? There are rumours of closures in that area. Those in the private sector may be having difficulties. What is your overview of the current impact of the downturn?
Mr Éanna Rowe (Waterways Ireland):

From research that we undertook a number of years ago, the private boating industry is worth about €30 million, or £24 million, per annum to the local economies. Fáilte Ireland and Waterways Ireland also undertook some research on cruise hire, which is estimated to be worth about €20 million to the local economies. In addition, Fáilte Ireland and the Northern Ireland Tourist Board undertook research into recreation in general, and it was estimated that recreation in the lakeland waterway corridors was worth in the region of €100 million. So the economic spin-off is significant, especially when you consider that the waterways travel through some of the most deprived parts of Northern Ireland and Ireland.

The second thing is that, anecdotally, there has been a drop in the number of cruisers for hire, but, as John pointed out, there has been a significant increase in the number of private boats on the systems. The cruise hire companies reported to us that 2010 was one of their best years for a very long time, so the outlook is good.

Mr Hilditch:

It is not a particularly cheap few days; it costs a few pounds, and some people would argue that you could probably get a week in the Mediterranean as cheaply as three or four days on the waterways, although that depends on what people look for in a break. Does the private sector pay any levy for the use of facilities to help to offset maintenance costs?

Mr Martin:

No. At the moment, we are funded by the Government, and we charge people only a minor amount for going through locks. We have an income of about €400,000 a year, out of a budget of €35 million. However, if you were to take the number of boats, which is 13,000, and the amount of money spent on maintaining the system, which is more than €39 million, you would be talking about thousands of euros per boat per annum, so nobody would put a boat out at all.

Traditionally, the view was that the Governments would provide the infrastructure that would allow tourists to come to the island to spend their money. The cost-benefit was measured against the whole economy, rather than against the specifics of boating. We put in enough public moorings for about a third of the boats, but those are for people who move along the waterway.
On Lough Erne, we allow people to stay for only two days and, on the Shannon, for only five days. If people overstay their welcome, we move them on, and, if they overstay by a long period, we remove their boat, and they have to pay the cost of crane hire, etc, to get it back in the water. In a sense, we are like the motorway between Belfast and Enniskillen; it is provided to help movement, but it is not a toll road.

**Mr Hilditch:**
If there is no money from the private sector for maintenance and such like, do some of the private companies pay money towards marketing?

**Mr Rowe:**
They do indeed. Under the Lakelands and Inland Waterways initiative that John mentioned, which is a joint initiative between Waterways Ireland, Fáilte Ireland, the Northern Ireland Tourist Board and local and regional authorities, the private sector, including cruise hire companies and activity and accommodation providers in the 30-mile corridor, came in and backed the scheme with both deeds and financial assistance. Indeed, this year, we are launching an autumn campaign, to which the private sector has given in-kind support, such as two-for-one offers, free boat weeks and activity bundles, so, for example, if you stay at such-and-such hotel, you get a round of golf or a day’s boat hire thrown in.

**Mr Irwin:**
Thank you for your presentation. You said that you do not charge a toll, but there are toll roads down South, and people are happy to pay. Given that the number of boats registered on the waterways has risen threefold, would that not be one possible way of raising a considerable amount of money. It seems a logical way to raise funds.

**Mr Martin:**
We are looking at revising our by-laws. At the moment, we do not have a registration fee. The by-laws were out for consultation, to which we received so many responses that the process slowed down. We will put them out to public consultation again in the future.

One issue raised, to which I cannot commit one way or the other, is that a registration fee
could be charged. That could take the form of an annual fee or an initial fee plus a smaller annual fee. I do not want to comment on that at the moment, because it is a matter for the process that we are going through. There is also a legal process that we would have to go through to put any such measures in place.

**Mr Ó hOisín:**
Thanks for the presentation. The latest figures that we have are from 2006 and show a €36 million spend by users of the waterways. I am glad that we have received an update. I welcome the proposed developments to the Erne-Clones section. There is also some work to be done on the Coalisland stretch of the Ulster canal.

My question is more aspirational than anything else. When do you envisage my being able to launch my boat at Coleraine marina, which is in my constituency, and take a leisurely cruise, ending up in Waterford, Limerick or Dublin? When will that missing link be addressed?

**Mr Martin:**
All I can say is that we have been given the money to do the first piece. The Ministers at the time said that when that was done, the real cost of it would be known and that, at that stage, decisions would be made by future Ministers or Governments on what would happen from there. I am not in a position to promise, or give you any indication of, when it might happen.

**Mr Ó hOisín:**
Will you make a guess?

**The Chairperson:**
As some would say, not even in his lifetime.

**Mrs Hale:**
Thank you for a very informative presentation. I have really enjoyed it, and I look forward to the development of the Ulster canal.

I understand that the Department funded a business case assessment last year on the viability
of restoring the lower Lagan canal linking Belfast and Lisburn. Do you know what the outcome of that was?

   **Mr Martin:**
I do not have any of the details on that.

   **Mr Moran:**
That does not come under Waterways Ireland’s remit. I will check on that and send the information to the Committee Clerk.

   **The Chairperson:**
It was referred to last year by Minister McCausland during a debate on the Ulster canal and various other projects under consideration.

   **Mr Moran:**
I do not have the information, so I will have to send it to you. You are asking about the business case for the development of the canal between Belfast and where?

   **Mrs Hale:**
Lisburn.

   **Mr Moran:**
OK.

   **Mrs McKeivitt:**
You mentioned a few challenges with maintenance and weed species. How much of your budget, if any, do you spend on removing weeds, particularly around Lough Erne? Do local councils contribute to their removal?

   **Mr Joe Gillespie (Waterways Ireland):**
At the moment, we have a strong focus on Upper Lough Erne, where the weeds seem to be dominant. Our work varies from year to year. Last year, we removed 80 tonnes from Upper
Lough Erne, the cost of which was about €80 a tonne plus overhead costs.

It is impossible to say from year to year how that problem will develop. We have invested in weed harvesting equipment, and we have trained personnel to use all the floating plant that is required. We are aware that there are also contractors available who have equipped themselves with weed harvesting equipment. We are optimistic that, if last year’s scenario is repeated, we can keep the main channels open through the Erne. However, it is not clear how this season will go. At the moment, things look OK, and there are no reports of difficulties with weeds.

**Mrs McKevitt:**
There have been a few reports in the news recently about hogweed causing big problems around the waterways.

**Mr Gillespie:**
The weed that we are dealing with in Upper Lough Erne at the moment is Nuttall’s pondweed. The giant hogweed is an onshore weed; we are dealing with invasive aquatic weeds. Waterways Ireland is a member of the Lough Erne invasive species group, which includes members from NIEA (Northern Ireland Environment Agency), the Department of Agriculture and Rural Development and Fermanagh District Council, which chairs the sessions. It has acted very much in partnership with Waterways Ireland in the removal of the weeds in that it has facilitated their trans-shipment. The weeds end up in Pettigo in County Donegal for composting because that is the nearest composting facility. It looks after the paperwork on that side, so we find Fermanagh council very good to work with.

**The Chairperson:**
I believe that the previous Committee had numerous correspondence with people in relation to zebra mussels. Is that still an issue?

**Mr Gillespie:**
Zebra mussels are another form of invasive species that that group deals with. Their impact seems to have peaked. There is less talk about them as well, so perhaps the boaters are beginning to deal with them. The impact is that they have clarified the water in the lakes. As a result, light
penetrates to a greater depth, and weeds then emerge from that greater depth. Traditionally, weeds would emerge in relatively shallow waters. In clearer lakes, we are seeing a total change. The impact of zebra mussels is one of the things that the group will look at. People have been studying the issue for a number of years. In recent years, the water service had to clean out pipe networks, but that has not had an impact on our infrastructure. Our jetties seem to be relatively free from them.

**Mr D Bradley:**
Is there any prospect of the total eradication of those invasive weeds, or will it be an ongoing battle against them every year?

**Mr Gillespie:**
The position with the weeds is a moving one. We had Canadian pondweed in the Erne, and then it moved on to Nuttall’s pondweed. It could possibly move on to another version, Lagarosiphon major, which is found in the west of Ireland in Lough Corrib. It is difficult to tackle. There are various techniques for dealing with it, including the shading of the waterway by planting trees. There is also the discoulouration of the water, turbidity, and chemical control. For a start, the weed is found typically in slow-moving waters, which are calcareous and eutrophic, so Upper Lough Erne is the ideal lake for Nuttall’s pondweed.

**Mr Swann:**
Thank you, gentlemen, for your presentation. I noted that, in some of your by-laws, there is the increased usage of life preservers, which is welcome. Have you, as a body, had any input into the proposed closure of the coastguard station at Bregenz House?

**Mr Martin:**
We have had no contact with anybody about that. It is not within our remit, so we have not been involved at all.

**Mr Swann:**
Even though it covers inland waterways in the north?
Mr Martin:
No. Our legal remit is very specific. We have to stay within it, and we do not move outside it.

Mr Irwin:
You said earlier that you are in a process of creating new by-laws. Given that there are two different jurisdictions, will there be an effort to harmonise those, or will there be two different sets of by-laws?

Mr Martin:
We have two sets of by-laws at the moment. We have no by-laws for the lower Bann, but we have by-laws for the canals, a different set for the Shannon and a different set for the Erne. All of those were set up under their own legal structure. In preparing the by-laws, we attempted to ensure consistency right across all of our waterways. That is what we are trying to do at the moment, but there are differences in that the number of days’ mooring that is allowed in various places is different at the moment.

We are attempting to bring consistency, but, following the consultation, discussions and public fora, we will attempt to do that as best we can, and then implement similar by-laws in both jurisdictions. They still have to be implemented separately under the legal frameworks in the two jurisdictions. That is our aim: to bring all of the waterways under our control into the same set of by-laws, so that they do not change from one waterway to another.

Mr D Bradley:
Can we just return to the legislation we discussed at the beginning, the 1999 Order? There is obviously legislation in the Republic and in Northern Ireland in relation to this; is that correct?

Mr Moran:
Yes. There is relevant legislation in both jurisdictions.

Mr D Bradley:
So any change to that would have to be made in both jurisdictions?
Mr Moran:
Yes.

The Chairperson:
Thank you very much for your presentation and for answering questions. I think that the Committee found the session particularly interesting, given that we have a number of new members. We hope to take up your kind offer of a visit.