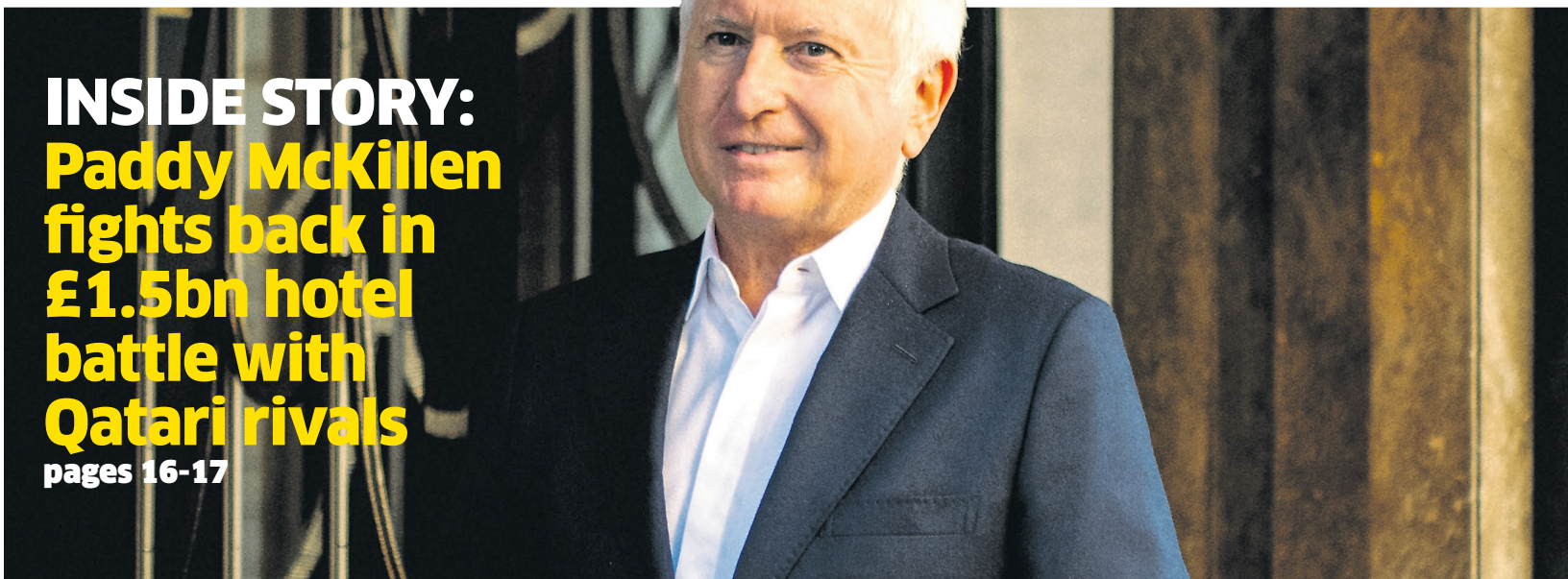


Business Post

May 21-22, 2023 • Vol 36 No 20 • businesspost.ie • Price £2.00



INSIDE STORY:
Paddy McKillen
 fights back in
£1.5bn hotel
 battle with
Qatari rivals
pages 16-17



Rancour and mistrust at RTÉ BOARD

Full details
Page 3



MICKEY MOUSE AFFAIR
Marion McKeone on Ron DeSantis's row with Disney
Page 11

EXCLUSIVE: 'National emergency' safety warnings from building tsar

The National Building Control Office has repeatedly warned of severe staff shortages without any meaningful response

BY DONAL MACNAMEE

Ireland's building regulator has claimed that the country faces a "national emergency" of construction regulation, repeatedly warning it faces severe staff shortages exacerbated by the mica crisis and the London Grenfell Tower disaster, the *Business Post* can reveal.

The National Building Control and Market Surveillance Office (NBCO), which coordinates the oversight of construction in Ireland, has privately told bosses it has been "understaffed since its inception" and said its lack of resources have created a situation that "is not sustainable". The regulator has also warned of increasing political

pressure from the Department of Housing after the mica crisis and the publication of a report on the Grenfell Tower fire, which killed 72 people in London in 2017 and led to a UK-wide review of building regulations.

The state has been frequently criticised in recent years for historically poor regulation of the construction sector, and has had to spend billions on redress schemes for thousands of people around the country whose houses and apartments have been destroyed by defective blocks and poor construction.

Now dozens of documents spanning four years, released

under Freedom of Information laws, show that the state's own building regulator believes it cannot adequately execute its function.

The documents show that to keep up with the demands placed on them, NBCO officers have had to work outside their normal hours, forego annual leave, and rely on interns to plug gaps that it has claimed should be filled by qualified engineers, architects and surveyors.

Mairéad Phelan, the head of the NBCO, has told senior officials that she has "never had the full complement of staff" since the office was set up in 2019 as a unit operating

within Dublin City Council.

The NBCO oversees a network of around 70 officers employed by the 31 local authorities, who report back to the office but do not technically work for it.

When it was set up, the NBCO's brief was to oversee the building control regime at local authorities, but in 2020 it was also given the remit of market surveillance.

When market surveillance was added to the NBCO's brief, Darragh O'Brien, the Minister for Housing, agreed to resource it with 12 staff.

But the office has never achieved that. Dublin City Council has approved sev-

eral strategies proposed by Phelan to bolster its resources, but the documents reveal the significant frustrations of the NBCO over the lack of urgency of these efforts. In January 2022, Phelan wrote to Richard Shakespeare, the assistant chief executive of Dublin City Council, with an email titled: "National emergency!"

Phelan, and other officers in her unit, have written dozens of similar emails to Dublin City Council calling for action on the filling of posts.

In June 2021, Phelan warned that the NBCO's market surveillance unit had fallen behind on its work due to a lack of resources, and said

that the office was under significant political pressure due to the mica "disaster" and the publication of a report on the Grenfell Tower fire.

"The Grenfell Tower inquiry report created an expectation that construction products pertaining to multi-unit housing be prioritised by this unit," she wrote.

Shakespeare himself wrote in a December 2022 email that the situation facing the NBCO was "unsustainable" and said there was an "immediate requirement" to recruit four more staff for the office.

A spokesman for the Department of Housing said the office was a "key element"

of the government's ongoing building control reform agenda.

"The department is committed to establishing a building standards regulator to strengthen the oversight role of the state with the aim of further reducing the risk of building failures and enhancing public confidence in construction-related activity," he said.

A spokesman for Dublin City Council said there were currently two vacancies at the NBCO, "which are at executive professional level and a competition for these posts will be advertised shortly".

See page 7

Coalition leaders confirm move to axe army 'triple-lock'

BY DANIEL MURRAY AND DANIEL MCCONNELL

The three government party leaders have reached a consensus that Ireland's "triple lock" mechanism for peace-keeping missions is

"no longer sustainable" and needs to go.

Taoiseach Leo Varadkar and Tánaiste Micheál Martin have both told the *Business Post* that the triple lock, where the deployment of Irish troops requires a government decision, a Dáil vote and a UN resolution, should be abandoned in its current format.

Varadkar said: "Fine Gael doesn't want to apply to join Nato, but we do want to end the triple lock".

Martin also told this newspaper that he feels the triple

lock is "no longer sustainable" and he is "signalling strongly" it must be ended.

The Green Party has up until very recently defended the triple lock, with party leader Eamon Ryan telling RTE at the end of 2022 that it "gives us strength" and "I don't think we should change it".

However, the *Business Post* has established that the Green Party is changing its position on the triple lock, with a formal decision by the party due soon.

The Green's position will be

to modify the current system, rather than drop it altogether, with the UN resolution clause being the primary issue. All three parties believe a Dáil vote and cabinet sign-off should still form part of decision to send troops abroad.

Ryan strongly signalled his change in position during a Dáil speech on security last week.

"That first condition, the requirement for a UN mandate, is not legally binding but it does have real drawbacks," Ryan said.

"We do have an issue within our United Nations peace-keeping institutional structures - I do have an issue with the undemocratic structures that the UN Security Council is based on."

As Tánaiste and Minister for Defence, Martin told the *Business Post* that the triple lock was now very "problematic" given the war in Ukraine and Russia's role on the Security Council.

"Are we really saying we as a country will facilitate a Russian veto on missions we

would like to participate in," he said.

"I have signalled very strongly, it is no longer sustainable given Russia has violated the UN charter. That fundamentally alters the landscape into the future in terms of peace keeping," he said.

Martin said while there is no commitment in the programme for government to changing the triple lock, there is a consensus at leadership level to "do something about it".

Martin said the risk to sub-sea cables and the threat of cyber-attacks such as the one on the HSE mean Ireland cannot allow this situation to continue. He said it would require a change in the law and said he wants to hear the public debate on the matter before the government moves.

The change comes just ahead of planned security forums set to take place next month.

Eamon Ó Cuív has hit out at his party leader's plans for a forum on security policy,

saying the Dáil is the proper place to have such a debate.

The Fianna Fáil TD from Galway West said Martin had brought his plans forward alone for next month's Consultative Forum on International Security Policy without any debate taking place in the party.

"I am not overly enamoured with this forum," Ó Cuív told the *Business Post*.

"I would have thought the Dáil and the Oireachtas would be the primary place for forming policy," he said.



Next Generation

To further enhance our market-leading legal offering, we have promoted 11 new partners across key industry sectors in Ireland. Our new partners are leaders in their practice areas and demonstrate the exceptional growth and strength of the firm.

Together we will continue our tradition of providing consistently excellent legal advice and service to clients.

Find out more at MHC.ie/Growth

L to R (Sectors): Ciara Deasy, Health | Aoife Moran, Public Law | Robert Rooney, Built Environment | Mark McCabe, Health | Irene Nic Chárthaigh, Financial Services | William Carmody, Managing Partner | Jay Sattin, Energy | Hannah Perry, Technology | Kady O'Connell, Technology | Emer Shelly, Energy | Aine Quirke, Technology | Alan Burns, Financial Services

Subject: 'NATIONAL EMERGENCY'

Building tsar's stark warnings she cannot cope without help

The Grenfell Tower fire in London added extra pressure here as the Irish regulator was also expected to prioritise construction materials used in multi-unit buildings in Ireland *Getty*

Regulator cites mica scandal and Grenfell disaster as she warns her office cannot cope with demands to step up enforcement of multibillion-euro construction industry



Donal MacNamee

In January 2022, Mairéad Phelan, the head of the national building watchdog, sat down at her desk and typed a blistering email to her bosses about Ireland's ability to regulate its construction industry – a sector worth tens of billions annually.

Her subject line got straight to the point: "National Emergency!"

"Since the setting up of this office I have never had the full complement of staff, leaving the office in a position where the work must be completed outside core hours to keep a national system running," Phelan wrote.

She said her agency, the National Building Control and Market Surveillance Office (NBCO), had "been understaffed since its inception; the department and 31-county demand is such that the core staff and I must continually take up any slack".

Added to that, Phelan said, the NBCO was facing increasingly "severe" pressure from the Department of Housing to step up its oversight activities in the aftermath of the country's mica crisis, which is expected to cost taxpayers more than €3 billion.

Phelan has also warned of increasing political pressure on the NBCO from the Department of Housing after the mica crisis and the publication of a report on the Grenfell Tower fire, which killed 72 people in London in 2017 and led to a UK-wide review of building regulations.

Phelan's January 2022 letter was a vivid exhortation of the ability of the Irish state to adequately resource a body that is in charge of coordinating the supervision of the country's construction sector.

It was also the culmination of years of pleas by the NBCO for more staff and more resources, and the moment when Phelan

decided enough was enough.

The *Business Post* can reveal that the NBCO has repeatedly sounded the alarm over its struggle to keep up with the demands of overseeing an industry worth tens of billions of euro every year with a core staff of just 10.

The state has been frequently criticised in recent years for historically poor regulation of the construction sector, and has had to spend billions on redress schemes for thousands of people around the country whose houses and apartments have been destroyed by defective blocks.

Now dozens of documents spanning four years, released under Freedom of Information laws, show that the state's own building regulator believes it cannot adequately execute its function.

To keep up with the demands placed on them, NBCO officers have had to work outside their normal hours, forgo annual leave, and rely on interns to plug gaps that Phelan has said should be filled by qualified engineers, architects and surveyors.

She warned that the situation "is not sustainable".

The NBCO, in its current format, was established in 2019 as a unit operating within Dublin City Council.

Construction regulation in Ireland operates as a "shared service", meaning the NBCO oversees a network of around 70 officers employed by the 31 local authorities, who all report back to the office but do not technically work for it.

When it was set up, the NBCO's brief was to oversee the building control regime at local authorities, but in 2020 its list of responsibilities was lengthened when it was given the remit of market surveillance.

Building control means making sure that Ireland's buildings comply with regulations, while market surveillance is designed to ensure that specific construction products such as concrete blocks meet the standards required under European law.

When market surveillance was added to the NBCO's brief, Minister for Housing Darragh O'Brien agreed to a business case that would resource it with 12 staff – eight in its building control unit, and four for market surveillance.

But the office has never achieved that. Dublin City Council has approved several strategies proposed by Phelan to bolster its resources, but NBCO has been frustrated by the lack of urgency in the council's efforts to fill the vacancies.

In her January 2022 email,

Mairéad Phelan, head of the National Building Control and Market Surveillance Office: agency has been 'understaffed since its inception'

The numbers

7,500

the number of houses around the country estimated to be impacted by defective blocks

€29.1 bn

the value of construction output in Ireland in 2022, according to EY

139,000

the number of building projects registered with the NBCO since 2014

which was written to Richard Shakespeare, the assistant chief executive of Dublin City Council, Phelan said she had made repeated proposals for how to source new staff – several of which had been refused by Dublin City Council – and said there were three "urgent vacancies" that needed to be filled immediately.

Phelan said the council, as part of its plan to fill the gaps, had offered the NBCO a clerical officer "without any of the required skills", and noted that two executive engineers had left the office to take up "positions with higher remuneration at the same level".

That email was sent more than 12 months ago, and was the most dramatic written by Phelan. But she has been persistently lobbying the council since 2019 with escalating warnings.

Some of these have taken the form of a "gentle reminder" from Phelan to officials in Dublin City Council.

Others have been more starkly worded – like in October 2021, when Phelan wrote that the NBCO was "operating with a staff of 10 managing two national offices with the associated spotlight and media queries and Department of Housing relating to building defects, market surveillance, mica and pyrite".

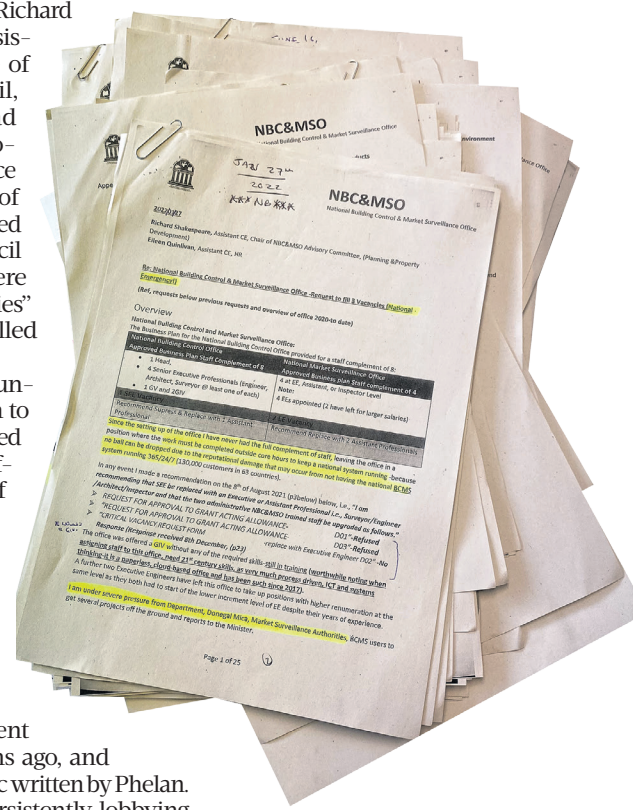
"This is not easy and to avoid reputational damage we must work outside normal working time arrangements," she wrote.

In June 2021, Phelan warned that the NBCO's market surveillance unit had fallen behind on its work due to a lack of resources, and said that the office was under significant political pressure due to the mica "disaster" and the publication of a report on the Grenfell Tower fire, which had killed 72 people in London in 2017.

"The Grenfell Tower inquiry report created an expectation that construction products pertaining to multi-unit housing be prioritised by this unit," she wrote.

The NBCO's staffing problems have been recognised at the highest levels of Dublin City Council, the documents show.

In December 2022, Shakespeare wrote to a HR official at the council calling the situation



Documents from Mairéad Phelan to Dublin City Council. Her subject line got straight to the point: 'National Emergency'

"unsustainable" and saying there was an "immediate requirement" for the NBCO to recruit four more staff.

"There have been many times when only 50 per cent of posts have been filled and, while eight are filled at the moment, one of these is in effect vacant due to long-term absence without leave," he wrote.

"Staff are doing their utmost to deliver the service that as lead authority Dublin City Council is committed to provide, however the situation is unsustainable."

As of this month, the NBCO has 10 staff between its building control and market surveillance units. The office declined to comment when contacted, and did not respond to a query over whether Phelan thought the situation was still a "national emergency".

A spokesman for the Department of Housing, which set up the NBCO, said the office was a "key element" of its ongoing building control reform agenda, "with its many initiatives that already provide a comprehensive roadmap for embedding a culture of real compliance within the construction industry".

"The department is committed to establishing a building standards regulator to strengthen the oversight role of the state with the aim of further reducing the

Not fit for purpose

Housing minister Darragh O'Brien was bullish last week, predicting that Ireland would exceed its homebuilding targets for 2023.

"We've about, as I speak to you, about 37,000 homes at various stages of construction – we've a target of 29,000 this year and I intend to exceed that," he told *Newstalk*.

O'Brien's building boom is designed to address Ireland's intractable housing crisis, so news of its gathering pace is not unwelcome. But it will create an even bigger workload for the country's building regulator.

The documents released to this newspaper show just how stretched the NBCO has become – and raise major questions for the government about why the issue hasn't been dealt with.

Regulation is vital to making sure Ireland's building industry is safe and of a decent standard. Recent history is littered with examples of what happens when it's not (Remember mica, anyone? Or pyrite? Or defective apartment buildings?)

Several people familiar with the system say building control simply has not been given the attention it needs by the current government. One source described the existing regulatory regime as a "mickey mouse" system.

O'Brien will point to the fact that his office has committed to establishing a new building standards regulator to strengthen the oversight of the construction industry.

But those who know the lie of the land say there's no sign that it will be set up anytime soon. In the meantime, it is imperative that Ireland's regulatory system is fit for purpose. And right now, it's miles off.

risk of building failures and enhancing public confidence in construction-related activity," he said.

A spokesman for Dublin City Council said there were currently two vacancies at the NBCO, "which are at executive professional level and a competition for these posts will be advertised shortly". He declined to comment further.

Secure from
€10,000 to €500,000
for your business
with GRID's flexible
funding solutions

For more information,
visit www.gridfinance.ie
or call 01 525 2355

SME Financial Health Platform



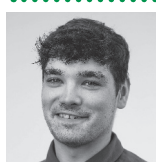
Guaranteed Irish
All together better

GRID
FINANCE &
ANALYTICS



Inside Twitter's crumbling and disconnected Irish base

Eight months after Musk's takeover, the firm's Irish office is now a skeleton operation made up mostly of sales staff



Donal MacNamee

When Elon Musk took over Twitter last November, the world looked on open-mouthed as the billionaire waged war on a company known for its high costs and low margins.

For those working at the company, the episode felt like an "emotional nuclear bomb", according to one former staffer in the Dublin office, with cuts happening all around and an atmosphere of chaos leaving staff scared and confused.

Eight months on, interviews with several current and former staff members show the Dublin operation has been cut to the bone.

The *Business Post* understands that staff numbers at Twitter's Irish office are around 100 today. Before Musk's takeover, that number mostly hovered around 350.

The company has had no boss in Ireland – the site of its Europe, Middle East and Africa (EMEA) headquarters – since last December, when Sinéad McSweeney resigned after settling a legal action she had taken against the new leadership over how she had been treated.

A former senior staff member at Twitter, speaking on condition of anonymity, said they had been surprised by how hands-on Musk had been when he took over the company. Musk, they said, "really got into the weeds" of the Irish operation and was well briefed on Europe's regulatory regime.

But Twitter has shown little interest in engaging with the government or wider business community since.

This newspaper has learned that Technology Ireland, Ibec's powerful lobby group for the tech sector, has threatened to remove Twitter as a member after it did not pay its membership fee despite

repeated reminders over the course of a number of months.

What's left at Twitter is a patchwork operation made up mostly of sales staff.

Several people familiar with the company said it had dramatically stripped back its in-house legal and HR operations and no longer had a press or communications department (requests for comment are met with an automatic response displaying the "poop" emoji).

Documents filed with the Companies Registration Office show the directors of Twitter International Unlimited Company, the name of the company's Irish operation, are based in Brazil, Australia and the US. Laurence O'Brien, formerly Twitter's EMEA controller, resigned as a director in April.

For those left behind, life at Twitter has changed utterly.

Staff, once spread across four floors at the company's headquarters on Fenian Street, are few enough now that half the space is being sublet.

Costs have been slashed and the company's workplace culture – for years a point of pride for Twitter, a company that styled itself as a force for good in the world – has been wiped away.

Twitter has ended its contract with Artizan, the Irish catering company, and cut the in-house barista that used to serve coffee to staff at breakfast and lunch.

More importantly for the business, two sources said sales staff could no longer use the company's AmEx credit card on clients, and had to apply retrospectively to have their expenses reimbursed, while billable expenses for mobile phone use have been cut from €75 to €45 per month.

And the company's famous benefits and wellness packages – including allowances for gym memberships and fi-

nancial aid for those trying to conceive through IVF – no longer exist.

Overstaffing

In April, Musk told Tucker Carlson, the former Fox News host, that he had eliminated 80 per cent of Twitter's workforce after taking over the company.

During the conversation, Musk said Twitter had been "absurdly overstaffed" before his acquisition, and that running the company was as simple as a glorified "group text".

Some former Twitter employees acknowledge that Musk's description of the company before his acquisition is somewhat accurate.

For most of its history, Twitter has been a loss-making operation, running at great expense as the significantly smaller cousin of Meta, Google and other Big Tech firms. Long before Musk entered the picture, there was significant turbulence among the company's leadership team over how to balance the books.

But for employees in Ireland, these were tiny tremors compared to the tectonic shift that shook the firm when Musk's acquisition went through. They had always been aware that the company was not profitable, but their daily reality had not been an employer that offered good perks, a strong brand and a polished leadership team.

That all changed overnight last November.

"I went into the office on a Thursday, and jokingly said: 'See you tomorrow – hopefully,'" one former staff member recalled of Musk's early days. "And that was the last time I was ever in the office. That night I was done. No discussion with managers, no discussion, it was just – 'You're done'."

Courting advertisers

In an interview with the BBC in April, Musk said that Twitter was "roughly breaking even" after sustained cuts at the company, adding that "almost all advertisers have come back".

In May, he announced the appointment of Linda Yaccarino, NBC Universal's former head of advertising, to replace him as Twitter chief executive in a push to lure back advertisers to the platform.

His bullish claims were undermined last week when the *New York Times*, citing an internal company presentation, reported that Twitter's US advertising



Linda Yaccarino, NBC Universal's former head of advertising was appointed as Elon Musk's successor as CEO of Twitter Getty

revenue was down 59 per cent in April and early May compared to the same period a year previously.

And in Ireland, the *Business Post* has learned that advertisers are still being warned over the risks of marketing on Twitter.

A major reason for this, according to one industry source, is the concern over the rise in hate speech and pornography on the platform, along with the advent of Twitter Blue – which has stripped thousands of celebrities and politicians of the blue check marks and allowed anyone to buy verification.

"Twitter would have been seen as somewhere to reach opinion leaders rather than the masses. That would have worn off now," the source said, though they did note that for some clients with a higher tolerance for risk, advertising on Twitter was still worthwhile.

Several industry figures, as well as three former Twitter staff, said the company was likely to have taken a similar – or greater – hit to advertising sales in its EMEA region.

"It's probably worse in Europe," one person said. "In the US, you might have some people who would share Musk's views – people who are free-speech

advocates and so on. It's tougher in Europe."

Charley Stoney, chief executive of the Institute of Advertising Practitioners in Ireland, said Twitter had lost its lustre for many advertisers in the Irish market.

"One can say that our industry follows consumer behaviour – if consumers are choosing not to engage with a platform because of what is happening to people employed there, that will have an effect,"

she said. "Twitter has definitely lost some of its brand cachet for advertisers in the Irish market."

Aftermath

The changes at Twitter have not only had internal ramifications – they've also had outward manifestations.

Engagement between the company and IDA Ireland, the state's inward investment agency, is understood to have ceased entirely since the departure of most of its leadership team.

One government source said the company's handling of lay-offs had informed new legislation on redundancies that is in the process of being implemented by the Department of Enterprise, Trade and Employment.

"Three firms came to mind when drawing up the new redundancy legislation – Debenhams, Clerys and Twitter," they said. "You wouldn't let a butcher in Mullingar treat people that way – so you couldn't let Twitter operate like that."

In Musk's Twitter, one recently departed Irish staffer concluded, "Decisions are being made on a whim and without any consultation with the people that would have to implement the decisions. So it is still a very difficult place to work."

“Decisions are being made on a whim and without consultation with those who would have to implement them”

Secure from
€10,000 to €500,000
for your business
with GRID's flexible
funding solutions

For more information,
visit www.gridfinance.ie
or call 01 525 2355

SME Financial Health Platform



Guaranteed Irish
All together better

GRID
FINANCE &
ANALYTICS



FOOD & WINE Christmas Special

RECIPES, GIFTS AND MORE...

RADICAL OR REACTIONARY?

The government's efforts to end planning delays

Page 20

CHINA AT THE CROSSROADS

Could a new wave of protests topple Xi Jinping?

Vincent Boland and Lucinda Creighton

Pages 12 and 29

Business Post

'Sean Quinn is a prisoner in his own head'

Matt Cooper

Page 38

December 4-5, 2022 • Vol 35 No 48 • businesspost.ie • Price €2.00

Microsoft plans private power plant on €900m data centre site

- Concerns about constraints on Ireland's energy grid prompt action by tech giant
- Gas plant likely to add at least €100 million to cost of Dublin project

BY DONAL MacNAMEE

Microsoft plans to build an unprecedentedly large-scale gas power plant as part of a new €900 million data centre development in Dublin due to its concerns about the severe constraints on Ireland's energy grid, the *Business Post* can reveal.

The planned investment will bring the total number of data centres operated by the US tech giant in Ireland to 15. Generally, data centre operators will have smaller diesel-powered generators on-site for emergency scenarios. But in this case, Microsoft plans to construct a 170-megawatt (MW) on-site power plant alongside 21 diesel generators in a bid to offset the high-energy demand from the facilities.

The firm's plans come almost a year after the Commission for Regulation of Utilities (CRU) and EirGrid

were forced to introduce a moratorium on new data centres in the greater Dublin region until at least 2028 due to severe constraints on the power system.

Documents seen by the *Business Post* show Microsoft recently applied for a special industrial emissions licence from the Environmental Protection Agency (EPA) to operate 21 emergency diesel generators and a 25-metre high gas-fired compound on the site of its data centre campus at the Grange Castle Business Park in south Dublin.



Microsoft said it expects the gas plant to run eight hours a day, 365 days a year

In its application to the EPA, the US company said it was seeking permission to build a standby 170MW gas-fired power plant comprising 22 generators and 22 flue chimneys because its new data centres are "located in what is noted as a constrained area in terms of electrical grid capacity".

Microsoft said its data centre facility would consist of two buildings called Dub 14 and Dub 15, which were granted planning permission in May 2021, and will have a total footprint of close to 145,000 square feet each. It said the total investment required to build the two data centres and the standby gas plant will be €875 million.

Energy industry experts have said the new gas plant will have added at least €100 million to the cost of the project for the tech giant. Microsoft said it expects the gas plant to run eight hours a day,



'Starting an airline is a great way to create a brand'

EasyJet's Stelios Haji-Ioannou talks PR stunts, philanthropy and his new Dublin hotel
Interview, page 18

365 days a year, to meet the needs of the "utilities flexible demand policy" introduced by the energy regulator since constraints on the national power system first emerged last year.

The move comes as some of the biggest technology companies operating in Ireland continue to grapple with the weakness of the state's energy system.

As reported last week on *BusinessPost.ie*, several tech firms, including Microsoft, have applied for special EPA licences to run diesel generators for prolonged periods in emergency scenarios such as a power blackout or an immediate request from the grid to page 2

Intel offers workers thousands of euro to take extended leave

BY DONAL MacNAMEE

Intel is offering thousands of euro in inducements to encourage up to 2,000 workers to take three months' unpaid leave as part of cost-cutting measures, the *Business Post* can reveal.

Internal documents show manufacturing staff at the US chip giant have been offered up to 40 per cent of their three-month base salary, as well as a \$500 (€474) "sign-up bonus", in return for taking 12 weeks off work unpaid.

BusinessPost.ie first reported on Thursday that up to 2,000 staff at the company's plant in Leixlip, Co Kildare had been given the option of taking unpaid leave. The news has prompted the government to engage with Intel, which is one of the largest employers in the state, about its future

plans in Ireland.

A spokesman for Leo Varadkar, the Tánaiste and Minister for Enterprise, said that he had met with Pat Gelsinger, the Intel chief executive, recently and that he would meet with other senior staff in the coming weeks. He said that Intel had confirmed its commitment to Ireland and told the Tánaiste that "any job losses will be limited".

"Like a lot of companies in the tech sector, Intel is consolidating its operations internationally and will return to growth in the future. The IDA is engaging with the company on behalf of the government. Intel announced in October that it would examine how best to reduce costs, and will keep the Tánaiste and the department informed. The Tánaiste is due to speak with to page 2

Easier repossessions would not lead to lower mortgage rates – banking report

BY PETER O'DWYER

Irish borrowers will continue to pay significantly higher interest rates than their European peers even if banks are allowed to repossess homes more easily, the state's banking review has found.

The interest rate for new mortgages in Ireland has averaged just under 3 per cent for the past five years, compared to the euro area average of 1.55 per cent.

As a result, Irish mortgage holders pay considerably more each month to service their home loans, at a time when borrowers across Europe have been hit with even higher costs as banks began passing on recent European Central Bank (ECB) interest rates.

Over the years, some commentators have called

for the state to make repossessing homes easier in Ireland which, in turn, they suggested, would help make new loans cheaper as lenders would have better recourse on the loan security.

But it has now emerged through the Department of Finance's Retail Banking Review that allowing for easier repossession of homes would make little difference to the cost of loans banks would offer.

Officials in the Department of Finance, along with two officials seconded from the Central Bank of Ireland, found that while it was difficult to measure the exact impact of making such a move, it was unlikely to reduce the amount of capital which banks are required to hold, and consequently would do little to cut interest rates.

"The general impression is that such an initiative would feed slowly through to the metrics used to calculate risk weights and, therefore, the impact on interest rates would be muted," officials said.

Furthermore, the largely successful efforts of the banks to clean up their balance sheets by offloading bad crisis-era loans is likely to have little effect in cutting mortgage interest rates either, the report found.

This has also been suggested as a key means of allowing banks to cut the amount of capital they have to hold in reserve and therefore be in a position to offer better rates.

To determine the level of capital a bank needs to hold, lenders apply a risk percentage, commonly called the risk weight, to their mortgage portfolios. The capital

requirements for Irish banks for mortgage lending are currently twice the level of the European average due to the perceived riskiness of Irish lending since the financial crash of more than a decade ago.

While the banks' efforts to reduce their bad loans would in isolation have helped to address this legacy issue, new European regulations due to commence in 2025 will limit the benefit by setting a floor on the risk weights banks can apply to their mortgage lending.

The floor will be only marginally lower than those currently applied to Irish mortgages. This means that the scope to reduce the risk weights and therefore the amount of capital that must be held is insignificant. to page 2



TWENTY~4 AUTOMATIC
BEGIN YOUR OWN TRADITION

Keanes

Jewellers since 1948
Cork
www.keanes.ie



ELAINE BYRNE
Micheál Martin was a good Taoiseach, but not a great one
Page 29



In this week's paper



SUNDAY INTERVIEW
Dervla McKay, the managing director of Aircoach
page 26

NEWS



BOOKS OF THE YEAR
The best reads of 2022, as picked by our critics
page 10

MAGAZINE



FINE ARTS
All that glisters at the O'Reilly fine jewellery auction
page 9

PROPERTY

“It is politically difficult to get away from the notion that no one should profit from the housing crisis”

Brian Keegan, Opinion
page 27

NEWS

Director general of RTÉ called city council chief over planning decision

Dee Forbes contacted Owen Keegan following Dublin City Council recommendation to mostly retain protected status of Montrose buildings

BY CÓNAL THOMAS

Dee Forbes, RTÉ's director general, privately contacted the chief executive of Dublin City Council on behalf of the broadcaster over the future of several historic buildings at its Montrose campus.

Following a decision by the local authority in April to retain protection of five structures on the site, including RTÉ's television building and radio building, Forbes called Owen Keegan, the council's chief executive.

According to a note written by Keegan detailing the conversation, released under Freedom of Information, Forbes expressed RTÉ's disappointment with the recommendation to mostly maintain protected status for its buildings.

Forbes called Keegan on

May 23, according to the note, three weeks after the council recommended that five of RTÉ's buildings constructed between 1962 and 1979 remain mostly protected and listed on the Record of Protected Structures (RPS).

The RPS lists thousands of historic buildings in Dublin, and placement on the register limits what alterations can be made. RTÉ had submitted a heritage report as part of its public submission which suggested that only the facades of the five buildings be protected, and in the case of its scene dock building, no protection afforded.

The broadcaster argued that the level of protection of the five buildings "must enable [RTÉ] to continue to develop and ensure that such development can continue to be expressed in the evolution of



Dee Forbes, director general of RTÉ: called Owen Keegan

Fergal Phillips

the principal buildings and, indeed, the whole campus".

The council ultimately decided that any proposals for significant alterations or expansion to RTÉ's buildings would be required to go through the planning process under the new development plan, which was adopted last month and remains in place until 2028.

Following that decision, Forbes contacted Keegan after

the public consultation period had ended and after submissions to the draft development plan were considered and recommendations made to discuss the matter.

According to the note of the conversation, Forbes was told by Keegan that the "only option" open to RTÉ would be to ask an elected councillor to submit a motion ahead of the next series of meetings for the plan.

In response to queries from the *Business Post* on whether the representation should have been declared on the Lobbying Register, a spokesman for RTÉ said: "The director general does not fully recall the details of the phone conversation with the chief executive of Dublin City Council on May 23, 2022, but the reason behind the call was to ensure that RTÉ's submission had received proper

consideration as it was a serious matter for RTÉ.

"In the director general's view the conversation did not stray outside material in the public submission. Ultimately, Dublin City Council rejected the vast majority of RTÉ's submission."

According to Lobbying.ie, a person is most likely considered to be lobbying if they are an employer with more than ten employees where the communications are made on their behalf, if a person communicates about the development or zoning of land, or if the communication applies to the development or changes to any public policy.

Communications with a designated public official must be disclosed on the lobbying register.

The RTÉ spokesman said that Forbes and other officials from the broadcaster routinely register lobbying activity.

"As this telephone conversation did not go beyond what was in RTÉ's publicly available submission, the director general's judgment was that the call did not constitute lobbying within the meaning of the act," the spokesman said.

Intel offers workers thousands of euro to take extended leave

from page 1

the senior team at Intel again in the coming weeks," the spokesman said.

Manufacturing staff, who number between 2,000 and 3,000 in Ireland, have also been given the option of working reduced hours such as a four-day week on reduced pay as part of proposals to drastically reduce Intel's costs.

Versions of the offer have been made to manufacturing staff in China, Ireland, Israel, Malaysia, Vietnam and the US, internal communications show, and come amid growing fears that Intel may start cutting jobs in Ireland in the near future. On Friday, the Irish Times reported that the government expects up to 100 redundancies could take place in the coming months.

Manufacturing staff make up the bulk of workers employed at the chip giant in Ireland, and the company has said it is offering them the unpaid leave in an attempt to save money in the short term while avoiding the need to cut jobs.

Documents seen by this newspaper show that staff were given just a week to respond to the offer by the company's management. Sources within the company said that the offer is being viewed with scepticism by some staff and there is a reluctance to take it up by many workers.

Under the voluntary extended leave (VEL) offer, as Intel has termed the scheme, workers have been offered a range of inducements which vary depending on the amount of time they take off and the nature of their role.

Those who take up the deal will receive a "sign up bonus" of \$500 (€474) as well as a lump sum which is paid out at the completion of the VEL. Both payments are subject to tax, and staff who take the leave will lose their shift allowance or overtime balances if they are in receipt of them.

Manufacturing technicians at Intel, who are paid hourly and are involved in making the semiconductor parts produced by the company, will be paid a sum worth up to 40 per cent of their base three-month salary if they agree to take three

months of unpaid leave.

Manufacturing staff at Intel typically earn between €45,000 and €65,000 annually, according to an industry source. Based on these figures, an hourly worker on €55,000 per year could be paid €5,076, on top of the lump sums, if they take the full 12 weeks.

The minimum amount of time a worker can take off under the scheme is four weeks. Hourly staff who take four weeks' leave will receive a sum worth 30 per cent of a month's base salary.

Hourly workers who take eight weeks will get 35 per cent worth of two months' salary, while staff who avail of a full 12 weeks will be given 40 per cent of their base three-month salary at the end of the period.

Salaried manufacturing workers, many of whom work as process engineers at the company, have been offered slightly less money as a percentage of their base salary in return for taking the time off.

Intel has also offered staff reduced hours, such as a four-day week with lower pay and benefits. Staff can also take up to eight weeks off work fully unpaid, separate to the VEL scheme, with no lump sums or payments based on their salary.

Internal emails show the offer has been put in front of managers at the company's manufacturing division, as well as engineers who work in its technology development team. Other divisions including finance, HR and IT have not been offered the scheme, leading to concerns that redundancies could be sought among those staff.

An Intel spokeswoman declined to comment on the detail of the proposals it has made to workers, but said the arrangement could help it make savings without making staff redundant.

"Retaining our manufacturing talent is a key element of positioning Intel for long-term growth," an Intel spokeswoman told this newspaper.

"Voluntary time-off programmes allow us an opportunity to reduce short-term costs and offer employees attractive time-off options. Manufacturing talent represents an important element of our business here in Ireland."

RTÉ restores board member fees amid cutbacks

BY CÓNAL THOMAS

RTÉ's board members have opted to take their €15,750 fees, ending the decision to waive them, at a time when the national broadcaster is making sweeping cutbacks to tackle its financial crisis.

A spokesman confirmed to the *Business Post* that the payment of individual fees to board members has been restored for the first time since they were waived in 2020. The

chair of the board will receive €31,500.

The board is made up of 12 members and includes Dee Forbes, RTÉ's director general, and incoming chair Siún Ní Raghallaigh, who was appointed last week.

In November 2019, RTÉ said it needed to cut its projected costs by €60 million between 2020 and 2023, and reduced the fees paid to top contracted on-air presenters by 15 per cent and executive board

pay by 10 per cent as part of cost-cutting measures.

In addition to plans to reduce headcount by 200, the broadcaster also said that board members would waive their salaries.

In a statement to the *Business Post*, a spokesman for the board said: "On January 1, 2020 the RTÉ Board agreed to waive fees as part of RTÉ cost-cutting measures at the time. Payment of fees to RTÉ Board members has been re-

stored as of September 2022. Board fees amount to €15,750 per individual Board member per annum. The figure is €31,500 for the Chair of the Board."

On Tuesday, it was announced that Ni Raghallaigh, a founding member of TG4, had been appointed the new chair of RTÉ's board after cabinet signed off on the move.

Other members of RTÉ's board include Daire Hickey, the Web Summit co-founder

who now runs a PR firm; Ian Kehoe, editor of the *Current*; Deborah Kelleher, director of the Royal Irish Academy of Music; and Dr PJ Matthews, a UCD professor.

Anne O'Leary, the business executive, Robert Shortt, the RTÉ journalist, and barrister Susan Ahern also sit on the board alongside Connor Murphy, the technology entrepreneur, David Harvey, the television producer, and Jonathan Ruane, a research scientist.

Ni Raghallaigh, who previously served as chief executive of Ardmore Studios and Troy Studios, takes over from Moya Doherty, who departed from the state broadcaster earlier this year after eight years.

It followed a proposal from Catherine Martin, Minister for the Arts, Culture and Media. Ni Raghallaigh, who is from Donegal, helped found TG4 in the 1990s, later serving as its marketing director and also its finance director.

Microsoft plans private power plant on €900m data centre site

from page 1

operator to reduce its electricity load.

A spokeswoman for the EPA said Microsoft's application was "currently under assessment by the agency and no decision has yet been made".

"The agency has several other licence applications under assessment from sites with large-scale emergen-

cy generation capacity," the spokeswoman added.

When contacted by the *Business Post*, Microsoft declined to comment on the status of its latest data centre investment in Dublin. The tech firm has lobbied the government over recent years in a bid to ensure that data centres are not affected in the case of power shortages.

Ciaran Conlon, the company's top Irish lobbyist, asked

the government in July to prioritise data centres in the event of diesel shortages that would have necessitated fuel rationing.

Easier repossessions won't lead to lower mortgage rates

from page 1

The regulations could help narrow the interest rate differential between what Irish and European banks charge, but only by dragging EU rates up, as European lenders are forced to hold more capital, rather than allowing those applied on Irish borrowers' loans to fall.

The review's authors found that capital requirements were

less of a factor in Ireland's higher interest rates than the banks' operational costs.

Paschal Donohoe, the Minister for Finance, last week defended the review's recommendations to remove a €500,000 salary cap for staff at Bank of Ireland, and at AIB and Permanent TSB in time, while also allowing for bonuses of up to €20,000 to be paid to bank staff.

See page 16



**40% TAX RELIEF
EIIS INVESTMENT OPPORTUNITY**

- ✓ Medical Supply Partners
- ✓ \$21 Billion Global Market
- ✓ Second EIIS Offering
- ✓ Targeted ROI: 52%
- ✓ Strong Management Team
- ✓ Minimum Investment €5,000
- ✓ Uncapped Returns
- ✓ No Entry or Exit Fees

The future of health

To receive a copy of your prospectus please contact Neil Brown:

eiis@medpoint.ie 01 901 0395
www.medpoint.ie/eiis




EIIS 2022 INVESTMENT OPPORTUNITIES
SOLID ASSET BACKED INVESTMENTS
PRIVATE PLACEMENT OFFERING 40% INCOME TAX RELIEF*
4 YEAR INVESTMENT WITH DEFINED EXIT

- Avoncourt Building & Construction**
Investment in sustainable housing. Promoters are experienced building & construction experts with a strong track record.
- Green Tech Distributors**
Investment in the supply and distribution of solar panels, battery storage and inverters in Ireland. Promoters are experienced solar PV experts with a strong track record.
- Batterybox Technologies**
Investment in the supply of energy storage systems for commercial solar PV consumers. Promoters are experienced solar PV experts with a strong track record.

If you would like to find out more about these investment opportunities, we are hosting our annual EIIS Investment Webinar on Wednesday 7 December at 1pm. To register for this webinar, please contact info@greencrowd.ie

For further details register on www.greencrowd.ie or call on 01 912 0345 or email info@greencrowd.ie

*WARNING: This is not an offer to subscribe nor does it constitute investment advice. This information cannot be relied upon without reading the detailed description and risks contained in the Information Memorandum. The value of your investment may fall as well as rise. Seek independent legal and/or financial advice prior to investing.

Could Intel's leave offer lead to a longer absence?

The IT giant has for opted for offering staff extended time off as a cost-saving exercise, but the worry is that things won't stop there, writes **Donal MacNamee**

On November 17, staff at Intel's sprawling Leixlip campus received the email they had been waiting anxiously for, only to find an unexpected twist in the message from management.

For weeks, rumours had been swirling among the company's manufacturing staff that job cuts were imminent, after Pat Gelsinger, its chief executive, said in late October that Intel would seek to make up to \$10 billion in savings by the end of 2025.

Many believed redundancies were on the way, and some international media outlets suggested that thousands of jobs could be on the line around the world.

In an update to staff, Gelsinger himself said Intel was beginning the process of cutting jobs as well as reducing factory hours, but declined to specify how many of the firm's more than 120,000 employees would be affected.

Irish workers faced an anxious wait as the company said it would update them on the effect of the cuts here within weeks. When the email landed in the inboxes of Intel's manufacturing staff a fortnight ago, it became clear that management wasn't putting a redundancy offer on the table, but was making a different proposal.

It was offering them three months' leave – unpaid, but with inducements – in a bid to reduce costs at its manufacturing plant in Kildare, while avoiding the immediate need to actually cut its headcount.

Under the terms of the arrangement, staff who avail of the offer will be paid thousands of euro to take time off in two or four-week blocks starting in December. The minimum a worker can take off under the programme is four weeks, and the maximum is 12 weeks.

Details of the voluntary extended leave (VEL) offer made to up to 2,000 workers at the company's manufactur-



ing business group were first reported on BusinessPost.ie last Thursday. The news caused concern among workers, and once again put the government and its agencies on notice of the risks to staff in Leixlip.

James Lawless, a Fianna Fáil TD in Kildare North, was on the ground in Leixlip when the news started to filter through last Thursday night. He said the mood in the region was one of concern, but not all-out panic.

"It's not a reflection of confidence or commitment to the Leixlip plant, but rather a knock-on from a global reaction," he told RTE's Morning Ireland on Friday, referring to the unpaid leave offer.

"I think there are concerns among other sectors [of the business]: among corporate services, among engineering, among HR, among the different other faculties there. Because actually, there is a concern: if one team starts to go, does the other team go next?"

The Irish Times subsequently report-

ed on Friday that some in government expected that up to 100 jobs could be lost at Intel, beginning early in the new year.

Shock turnaround in tech

If jobs are lost at Intel Ireland, it will mark a significant turnaround in the fortunes of the company and the tech sector more broadly.

It's been less than nine months since the chip maker announced plans to invest a further €12 billion in expanding its operations in this country as part of an ambitious €80 billion EU-wide semiconductor investment package over the next decade.

At that stage Intel, which is one of Ireland's largest private employers with more than 5,000 staff, was viewed as one of the country's safest employers – a behemoth of the chip industry, and a company that had invested nearly €30 billion in the state since it arrived in 1990.

In recent weeks, some of the as-

sumptions about the security of roles at Intel and the strength of its business have been challenged, to a large degree by the messaging coming out of the company itself.

In late October, a spokeswoman for the company told the *Business Post* that its third-quarter results had shown an "abrupt and pronounced slowdown in demand", which she said had "broadened beyond initial expectations and is now having an industry-wide impact across the electronics supply chain".

"We will mindfully protect investments needed to accelerate our transformation and position Intel for long-term growth," the spokeswoman said. "This includes manufacturing investment under way in Ireland. Organisations across Intel are working to make tough decisions, but ultimately looking for opportunities to drive efficiencies."

This newspaper has now obtained internal communications which shed light on the detail of the proposals. They show that staff have been offered a lump sum worth up to 40 per cent of their base three-month salary if they agree to take three months of unpaid leave under a new voluntary extended leave programme.

The minimum a worker can take off under the programme is four weeks, and the maximum is 12 weeks. Those who take four weeks' leave will receive a sum worth 30 per cent of a month's base salary, according to a document circulated internally to manufacturing staff.

Workers who take eight weeks will get 35 per cent worth of two months' salary, while staff who avail of a full 12 weeks will be given 40 per cent of their base three-month salary at the end of the period.

Significantly, the payments will be taxed and those who take the deal will lose their shift allowance or overtime balances, if they are in receipt of them. "You're missing out on a lot more money than it seems like you're missing out on," one worker said.

The deal does also offer staff a separate "sign-on bonus" of \$500 (€474) to be paid at the outset of the leave period. The same \$500 offer was made to workers in the US and Israel, but was twice that offered to Intel workers in China, Malaysia and Vietnam.

Internal emails show the offer has been put in front of managers at the company's manufacturing business group, in addition to engineers who work in its technology development team. Business groups are what Intel calls its divisions. They include finance, HR, IT and others, as well as manufacturing.

The offer also gives staff the option of working reduced hours, such as a four-day week, in return for adjusted pay and benefits. Staff can also avail of a third option, called personal unpaid leave, as part of which they will take up to eight weeks off work fully unpaid.

This is separate to the VEL scheme, and those who avail of it are not eligible for bonuses or payments based on their salary, it is understood.

The documents seen by this newspaper show staff had until November 24 to request leave starting in December under the VEL programme. Managers began reviewing the first requests immediately after the offer was sent in mid-November. Consideration

Staff at Intel's Leixlip plant had until November 24 to accept an offer of unpaid leave



Pat Gelsinger, chief executive, Intel, pictured with Taoiseach Micheál Martin at the construction site of Intel's manufacturing expansion in Leixlip, Co Kildare in 2021

Marc O'Sullivan

of requests will continue until December 20, according to the documents.

Intel last week said the unpaid leave options offered to staff would help it make savings in the short to medium term, while enabling it to retain its key talent.

"Retaining our manufacturing talent is a key element of positioning Intel for long-term growth," an Intel spokeswoman told this newspaper.

"Voluntary time-off programmes allow us an opportunity to reduce short-term costs and offer employees attractive time-off options. Manufacturing talent represents an important element of our business here in Ireland."

But it is far from clear that the option will be attractive enough to bring about significant savings for Intel. Some workers have said the package on the table does not offer them enough to make it financially viable, and there is also a view that winter is not the best time to offer people three months off work.

One staff member said they would have considered the offer if it had been made during the summer months.

A shadow of things to come?

Regardless of the level of uptake for Intel's schemes, the offer has again pushed the fate of the company and its workers in Leixlip up the agendas of government ministers and IDA Ireland.

An IDA spokeswoman declined to comment on the nature of the voluntary leave programme being implemented by the company, but said engagement was ongoing between its officials and Intel. Leo Varadkar, the Taoiseach, last month told the IDA to monitor potential job losses at the plant and to keep him informed.

Publicly, the government has insisted that while the recent developments represent a concern, Intel's overall commitment to Ireland is not in significant doubt. But in a fast-evolving economic climate, there is also an acceptance that things at big companies can change quickly, and in a manner that is outside the state's control.

Simon Coveney, the Minister for Foreign Affairs, was asked to address the recent developments during an interview on RTE Radio 1 last Friday morning.

He said that on a recent visit to Washington, he had met a senior Intel executive who assured him of the company's commitment to Ireland. The current schemes being offered to staff, he said, were in the government's view a "short-term measure".

"Since Intel arrived in 1989 they've spent over €30 billion in Ireland and that's an investment in the long term," Coveney said. "They've announced internationally that they have to cut costs – we expect that that's a short-term measure, and I know that their commitment to Ireland, having heard it from them, is very, very strong."

For all of that, though, the question likely to be on the minds of Intel's manufacturing workers – and the thousands of other staff it employs in Ireland – is whether the unpaid leave some employees have been offered is short-term, or a portent of something more permanent.

EIIS INVESTMENT OPPORTUNITY

EVERYTHING STACKS UP.

Established growing profitable business with daily cashflow since inception in 2018

Proven & experienced management team - rolled out business nationally.

Easily replicable over many sites with minimal incremental costs as new sites are added.

Funds raised go directly into low-depreciating assets.

Clear defined 4 year exit strategy with 12.5% (GPA) return.

Strong assets backing; investment is secured against liquid assets with 90% of the investment in assets with strong resale value.



Store4U - Safe Secure Storage.

To view our EIIS Prospectus visit - www.store4u.ie

Store4U
SAFE SECURE STORAGE

EIIS 2022 TAX RELIEF INVESTMENT OPPORTUNITY

GOOD FOR BUSINESS. GOOD FOR THE ENVIRONMENT.



INVEST IN THE WORLD'S BIGGEST PLATFORM FOR ESG FOCUSED BUSINESSES

Pulse Market is the ethical digital marketplace focused on businesses of all sizes delivering their Carbon and Sustainability credentials. Our vision is to support 'doing business for good' and is endorsed by Vendor Risk Management and Procurement Professionals.

Targeted Net EIIS Investment Return: 27.6% per annum over 4 years (Total return of 110%).

PULSE www.pulsemarket.com
EIS@pulsemarket.com

BEFORE INVESTING, PLEASE SEEK PROFESSIONAL ADVICE