

Select Committee on the 2019 Estimates

2 April 2019

Opening Remarks

I welcome the opportunity to meet with the Committee today to discuss the 2019 Estimates for my Department.

I am joined by my colleague Minister of State Seán Canney, who has responsibility for Natural Resources and Digital Development in my Department. I am also accompanied by my officials Michael Manley, Matt Collins, Finola Rossi, Robert Deegan and Jim Whelan.

The total provision for my Department in 2019 is some €664.7 million, comprising €288 million for capital investment (inclusive of €15m in capital carryover from last year) and some €391.7 million for current spending, of which €227 million represents a pass-through of television licence receipts.

Successful transformation in communications, climate action and environment will define this century. Our mission is to make Ireland a leader in this transformation and ensure that we have early mover advantage in harnessing new opportunities and putting Ireland on a sustainable trajectory for years to come.

While I will deal with each of my Department's 6 Programme areas in detail, I would like, at this point, to highlight some of my Department's key projects and policy objectives to be progressed this year.

Delivery of high capacity and reliable digital connectivity under the National Broadband Plan is fundamental to maintaining and enhancing competitiveness, as well as achieving sustainable, connected communities across Ireland.

Access to such connectivity, underpinned by a scalable, responsive and reliable digital infrastructure, will allow all citizens to embrace digital transformation to innovate, be creative and thrive, resulting in sustainable economic growth and positive social dividends. Today, 74% of our premises can access high speed broadband, and continued commercial investment is critical. My Department is concluding the evaluation of the final tender under the State-led National Broadband Plan intervention and I intend to bring a recommendation to Government shortly.

I am determined to make Ireland a leader in responding to climate change and to bring about a step change in our climate ambition. My Department is leading on the All of Government Plan to address climate disruption which builds on the framework put in place by both the National Mitigation Plan and the National Development Plan. The scope and range of policy initiatives will have to be very broad and the balance between persuasion, obligation, incentive and taxation carefully balanced. Exchequer expenditure must be complemented by new taxation, regulation and behavioral change frameworks across all significant sectors of the economy, including the public service leading by example, carbon proofing, risk frameworks for investment and assets, and innovative private financing.

In the Energy area of my own Department, focus will be maintained on achieving targets in the areas of renewable energy and energy efficiency, as we transition to a low carbon, climate resilient economy and society. Investment in energy efficiency upgrades in the residential, commercial and public sectors are a central plank of Ireland's action on climate change. Decarbonising the built environment is the most cost effective way to tackle climate change, while delivering significant energy savings. Energy efficiency measures also

improve air quality, health and business competitiveness, all of which will make a real and positive impact on people's lives. Continued incentivisation of the uptake of Electric Vehicles in 2019 will further support the transition to a sustainable future.

Investment to support the transition to a circular and resource efficient economy, as well as the sustainable management of our natural resources, is also critical to environmental and economic well-being for a growing population, and to achieving our challenging EU emissions and recycling targets.

I am happy to discuss the 2019 Estimates of expenditure for my Department and to hear the views of Committee members.

Programme A - Communications

The focus of Programme A is to support economic growth, jobs, competitiveness and social inclusion through a range of policies and regulation designed to facilitate a more digitally connected economy and society. It provides for investment in the National Broadband Plan, promotion of the use of digital technologies by citizens and businesses and support for digital entrepreneurship.

The Estimates for Programme A include funding of €75m (inclusive of €15m capital carryover) for the proposed State led intervention under the National Broadband Plan with the aim of bringing high speed connectivity to the parts of Ireland where there is no existing or planned commercial network.

The increasing uptake of internet-based technologies brings significant advantages, including opportunities to access new markets and grow businesses. Under the National Digital Strategy, there will be continued support for digital adoption measures to enable small businesses and citizens to realise the full social and economic potential of the digital world.

€2.3 million will be made available this year for the Trading Online Voucher Scheme to support small businesses to trade online. Since its launch in 2014, over 5,200 businesses have been approved for funding under the Scheme, while over 15,200 businesses have received training delivered through the Local Enterprise Office network.

During 2019, community and voluntary organisations will receive funding of €2.2 million under the Digital Skills for Citizens Scheme, to deliver 10 hours of free digital skills training to 25,000 people who have never used the internet.

Programme A also supports growth and innovation in digital entrepreneurship through the Digital Hub Development Agency and the National Digital Research Centre.

The 2019 Estimates include €1.5 million for Eircodes and €1.7 million operational funding for the National Cyber Security Centre which plays a key role in securing Government and critical national infrastructure and will continue to be strengthened.

Programme B - Broadcasting

The purpose of Programme B is to support Ireland's socio-economic development by promoting the maintenance of a diverse and vibrant broadcasting sector and ensuring that the regulatory framework remains appropriate for achieving this. We all recognise the important part that public service broadcasters play in our democratic society and the provision of stable funding is essential to ensuring the continued delivery of their vital role in this regard. At a time of concern over disinformation public service broadcasters must have the capacity to invest in reliable and balanced current affairs and news coverage.

The State Broadcasting companies RTÉ and TG4 are funded through a mix of commercial revenues obtained largely from advertising, exchequer grant payments and licence fee revenues.

Broadcasting licensing fee receipts are estimated €227m in 2019. The programme provides for €199.3m in TV Licence fee receipt to RTÉ to enable the company to meet its statutory obligations as a national Public Service Broadcaster. In addition, the programme provides €36.2m in grant payments to TG4 to produce a comprehensive range of programming in the Irish Language.

Programme B also funds new Irish television and radio programmes through the Broadcasting Fund, operated by the Broadcasting Authority of Ireland. The fund receives 7% of the net television licence fee receipts, which is expected to amount to €15.3m in 2019. The Fund, for example, supports the Sound & Vision Scheme 3 which is open to all broadcasters and provided €11.96m in funding for 256 radio and TV projects in 2018.

Programme C - Energy

Programme C aims to deliver the key elements of Government's response to climate change policy, with a clear focus on energy efficiency measures across the residential, public and business sectors. Using less energy and using it more efficiently is the most cost-effective way to combat climate change.

The programme provides €17.5 million to cover the operational costs of the Sustainable Energy Authority of Ireland, and €116.5 million to fund expanded energy efficiency programmes, including the:

- Better Energy Homes scheme for homeowners to provide grants towards a range of energy efficiency measures
- Better Energy Warmer Homes scheme to deliver a range of energy efficiency measures free of charge to low income households
- Better Energy Communities Programme to encourage community-based partnerships to improve the thermal and electrical efficiency of the building stock and energy poor homes
- Deep Retrofit Pilot, launched in 2017, to provide vital, on-the-ground, evidence of how to overcome the technical and economic challenge of deep retrofit. The results of this pilot scheme will inform how to scale up to the National Development Plan commitment of €3 billion investment in residential energy efficiency retrofit
- Targeted interventions in the commercial and public sectors to deliver significant energy efficiency and energy savings, while reducing our dependence on imported fossil fuels.

These schemes are anticipated to deliver energy measures to over 24,400 buildings, including 4,600 low-income homes and save over 122,000 tonnes in carbon emissions.

The programme also provides €18.6 million in grant funding in 2019 to incentivise the purchase of new electrical vehicles; support the installation of home charge points for buyers of new and second-hand electric vehicles and the provision of on-street public chargers.

Investment of some €9.7 million in energy research, including applied energy research and demonstration projects aimed to accelerate diversification away from fossil fuels to green energy.

Programme D - Natural Resources (Minister Seán Canney)

The aim of Programme D is to manage Ireland's mineral, hydrocarbon and other geological resources in a sustainable and productive manner. Funding under this programme allows my Department to provide reliable geoscience support for environmental protection and the sustainable development of Ireland's natural resources and to address the health and safety implications of certain historical mining sites.

In 2019, funding of €2.75 million is provided for Mining Services, including some €600k for mine safety and monitoring and to develop a detailed plan to facilitate further remediation on the Avoca Mine site.

The programme also includes an allocation of just over €11.6 million for Geological Survey Ireland services, including €7 million for the Tellus and INFOMAR mapping projects. The Tellus Mapping project consists of airborne geophysical measurements and ground geochemical sampling. Data from the project will allow for improvement in geological maps, new radon mapping and agricultural mineral maps and will also facilitate better land use planning and research.

The INFOMAR project is Ireland's national seabed survey and is managed by the Geological Survey Ireland in co-operation with the Marine Institute.

Under the Groundwater programme, Geological Survey Ireland's national network of Turlough flood level gauges will provide key data on Turlough flooding to OPW and the Local Authorities.

Programme E – Inland Fisheries (Minister Seán Canney)

Programme E provides grant funding to Inland Fisheries Ireland, which is responsible for the conservation, management and regulation of Ireland's inland fishery resource.

In 2019, Inland Fisheries Ireland will continue to deliver its licensing, permitting and enforcement responsibilities, along with the rehabilitation of our rivers and streams. The delivery of a wide-ranging set of investments, innovations and promotions under the National Strategy for Angling Development will ensure that Ireland's fish stocks and angling infrastructure are protected and enhanced for both their economic value and their recreational benefit to the communities and visitors they serve across Ireland.

The Inland Fisheries programme includes an allocation of just under €19.9 million towards the staff costs of Inland Fisheries Ireland and the Loughs Agency. The Loughs Agency is a North/South body and is co-funded on a 50:50 basis by my Department and Northern Ireland's Department of Agriculture, Environment and Rural Affairs.

Also included in the programme is €13.4 million for non-pay current and capital expenditure by the two agencies.

Programme F – Environment and Waste Management

The purpose of Programme F is to promote the protection of our natural environment, the health and well-being of our citizens and the transition to a resource-efficient circular economy in support of ecologically sustainable development, growth and jobs.

The Environment and Waste Management programme includes an allocation of €36.9 million towards staff costs, non-pay current as well as capital costs of the Environmental Protection Agency to allow it deliver on its mandate research commitments, in areas such as ambient air quality as well as the broader climate change agenda.

The programme includes €8.5 million grant funding for the remediation of landfill sites. A further €500,000 has been allocated to design and rollout a 2-3 year waste campaign to increase awareness of the necessity to minimise waste and increase recycling, including increasing the Household Recycling Rate to 50% by 2020.

In the area of climate initiatives, an allocation of €1.5 million will fund a range of Irish academic and research institutions involved in technical research and modelling to inform policy measures, in line with the National Mitigation Plan and the National Adaptation Framework.

Funding for the National Dialogue on Climate Action aims to build citizen engagement to bring about the societal transformation required to address the challenges presented by climate change.

Appropriations in Aid

Appropriations in Aid are income receipts into my Department other than from the Exchequer. The vast majority of receipts (€227 million of a total of €242.7 million) relate to the pass through of the TV licence funds to RTÉ, and the BAI, along with the collection fee to An Post.

The balance is comprised of mining and petroleum income amounting to €8.8 million, some €4.3m in pension levy and pension contributions relating to my Department and its agencies, and some €2.5 million in other miscellaneous income.

Environment Fund

The Environment Fund was established by the Waste Management (Amendment) Act 2001. Since its inception in 2001, in excess of €830 million has been raised by the Fund through the Plastic Bag Levy (currently 22 cent per bag) and the Landfill Levy (currently €75/tonne).

As these environmental levies achieve their objectives in reducing usage of plastic bags and tonnage of waste going to landfill, revenue to the Fund has fallen in recent years. The number of leviable plastic bags has fallen from 328 per person, prior to the introduction of levy, to 7 per person per annum by 2017. The decline in the landfill levy has accelerated following the opening of the Dublin Waste to Energy facility at Poolbeg in 2017.

The decline in Environment Fund revenues demonstrates the successful impact of these levies in modifying consumer behaviour to the benefit of our environment.

Income to the Fund supports activities and schemes to reduce waste and to promote environmental protection and awareness, including an Anti-Dumping Initiative in partnership with local authorities and community organisations to identify problem dumping, develop appropriate enforcement responses and carry out clean-up operations.

€3 million will be provided from the Environment Fund to support the 2019 National Anti-Dumping Initiative. This year's enhanced programme will seek to address the problem of illegal dumping in a holistic manner with specific prevention, education, abatement and enforcement measures to be taken by

local authorities working in conjunction with community, sporting and environmental groups.

Expenditure from the Fund in 2019 will be €37.5 million, details of which I intend to approve shortly.