

DÁIL ÉIREANN

AN COISTE UM CHUNTAIS PHOIBLÍ

COMMITTEE OF PUBLIC ACCOUNTS

Déardaoin, 11 Samhain 2021

Thursday, 11 November 2021

The Committee met at 9.30 a.m.

MEMBERS PRESENT:

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|------------------------|--------------------------|
| Deputy Colm Burke, | Deputy Imelda Munster, |
| Deputy Matt Carthy, | Deputy Catherine Murphy, |
| Deputy Cormac Devlin, | Deputy Verona Murphy, |
| Deputy Alan Dillon, | Deputy James O'Connor, |
| Deputy Paul McAuliffe, | Deputy Sean Sherlock. |

DEPUTY BRIAN STANLEY IN THE CHAIR.

Mr. Seamus McCarthy (*An tArd Reachtaire Cuntas agus Ciste*) called and examined.

2020 Report of the Comptroller and Auditor General and Appropriation Accounts

Vote 31 - Transport

Chapter 5 - Expenditure on Night Vision Imaging Technology and Training for Search and Rescue

Special Report 113 of the Comptroller and Auditor General - Procurement of Vehicles by the Irish Coast Guard

Mr. Ken Spratt (*Secretary General, Department of Transport*) called and examined.

Chairman: Apologies have been received from Deputy Carroll MacNeill. The Comptroller and Auditor General, Mr. Seamus McCarthy, is a permanent witness to the committee. I ask members and all in attendance to exercise personal responsibility to protect themselves and others from the risk of Covid-19. I strongly advise that one vacant seat be left between those attending the meeting physically, that hand sanitisers be used and that appropriate social distancing be maintained during and after the meeting. Masks should be worn, except when speaking. I ask people to co-operate with these measures.

Members participating remotely must continue to do so from within the precincts of Leinster House. This is due to the constitutional requirement that, to participate in public meetings, members must be physically present within the confines of the place where Parliament has chosen to sit.

This morning we engage with officials from the Department of Transport to examine the appropriation account for Vote 31, chapter 5 of the Comptroller and Auditor General's accounts re expenditure on night vision imaging technology and training for search and rescue and the Comptroller and Auditor General's special report 113 on procurement of vehicles by the Irish Coast Guard. The 2020 motor tax account is also on the agenda, and other areas of interest to the committee include expenditure on MetroLink, DART, BusConnects, and the all-Ireland strategic rail review. After lunch we will consider correspondence and other business of the committee.

We are joined remotely from outside the precincts of Leinster House by the following officials from the Department of Transport: Mr. Ken Spratt, Secretary General; Ms Deirdre O'Keeffe, assistant secretary; Mr. Fintan Towey, assistant secretary; Mr. Eugene Clonan, acting director, Irish Coast Guard; Mr. Garret Doocey, principal officer; and Mr. Dominic Mullaney, principal adviser. We are also joined remotely from outside the precincts of Leinster House by Ms Niamh Callaghan, principal officer, Transport Vote section, Department of Public Expenditure and Reform.

Everyone is welcome. When we begin to engage, I ask members and witnesses to mute themselves when not contributing so we do not pick up background noise or feedback and, as usual, I remind all those attending to ensure that their mobile phones are on silent mode or switched off.

Before we start, I wish to explain some limitations to parliamentary privilege, and the practice of the Houses as regards references speakers may make to other persons in their evidence. The evidence of witnesses physically present or who give evidence from within the precincts of Leinster House is protected pursuant to both the Constitution and statute by absolute privilege. However, today's witnesses are giving evidence remotely from a place outside Leinster House's precincts and, as such, may not benefit from the same level of immunity from legal proceedings as those physically present. Witnesses have already been advised of this and may have thought it appropriate to take legal advice on the matter.

Members are reminded of the provisions in Standing Order 218 that the committee shall refrain from enquiring into the merits of a policy or policies of the Government, or a Minister of the Government, or the merits of the objectives of such policies.

Members are reminded of the long-standing parliamentary practice that they should not comment on, criticise or make charges against any person outside the House or an official, either by name or in such a way as to make him or her identifiable.

To assist our broadcasting service and the Debates Office, I ask that members direct their questions to a specific witness. If the question has not been directed to a specific witness, I ask each witness to state his or her name the first time that he or she contributes.

I call the Comptroller and Auditor General to make his opening statement.

Mr. Seamus McCarthy: The appropriation account for Vote 31 records gross expenditure of €2.7 billion in 2020. This represented an increase of 17.4% compared to expenditure in 2019. The expenditure is divided into three expenditure programmes: civil aviation; land transport; and maritime transport and safety. The majority of the expenditure in 2020 was under programme B, land transport, which accounted for 95% of the gross spending amount. This comprised mainly investment in roads and on road safety and regulation, and current and capital spending on public transport. As I proposed previously, given the imbalance in programme size, it may be timely for the Department, with the Department of Public Expenditure and Reform, to consider splitting up programme B in future.

In 2020, the Department provided substantial funding to several public bodies operating under its aegis. These include: Transport Infrastructure Ireland, TII; the National Transport Authority, NTA; the Road Safety Authority, RSA; the Medical Bureau of Road Safety, MBRS; and some other smaller bodies. The Department also oversees several commercial State bodies, such as the CIÉ group, the Dublin Airport Authority, DAA and the Irish Aviation Authority, IAA.

Receipts into the Transport Vote are modest, with appropriations-in-aid in 2020 amounting to €17.8 million. There was a substantial underspend on the Vote for 2020, of just under €386 million. Much of this related to the impact of Covid-19 on normal schemes and projects, but underspending also occurred because additional financial provision made for Covid-19 was not required on the scale originally envisaged.

With agreement from the Minister for Public Expenditure and Reform, €151.5 million in

unspent capital allocations was carried over for spending in 2021. This related mainly to capital spending shortfalls under the subheads for: airports; regional and local roads stimulus; heavy rail safety and development; public transport infrastructure; cycling and walking; and greenways. The remainder of the surplus for the year, €234.4 million, was liable for surrender to the Exchequer.

I issued a clear audit opinion in relation to the appropriation account.

Members may wish to note that the statement on internal financial controls discloses non-compliant procurement by the Department of €1.1 million worth of goods and services.

In addition to its Vote-funded activities, the Department of Transport has responsibility for the motor tax collection system. Receipts of motor tax are accounted for in a special departmental account, separate from the Vote, and are transferred directly to the Central Fund of the Exchequer. The 2020 motor tax account prepared by the Department records receipts of €939 million. This was down 2.5% on the 2019 level.

I also issued a clear audit opinion in relation to the motor tax account 2020.

The Irish Coast Guard, ICG, is organisationally part of the Department of Transport, and its expenditure is directly charged on the Vote. I have presented reports on two matters relating to the operations of the Coast Guard, arising from audit work on the 2019 and 2020 appropriation accounts. One report relates to the helicopter search and rescue, SAR, service, which is contracted out to private sector providers, at an annual cost of around €60 million. The other report relates to procurement for the cliff rescue service, which is provided substantially by volunteer service members.

As I outline in chapter 5 of the Report on the Accounts of the Public Services 2020, the Department paid €4.305 million to the search and rescue service provider in 2013 to fund an upgrade of the five search and rescue helicopters then in use to equip them with night vision technology. In addition, in November 2015, the Department bought 24 sets of night vision goggles for €527,000. In November 2018, the Department made an initial payment of €1.714 million for the provision of training in the use of the night vision technology. That training commenced in November 2019 and it is still ongoing. As at June 2021, only one of the four Coast Guard search and rescue bases had been approved to operate the technology and to provide a night-vision enabled service. It will be some time before the other three search and rescue bases are operating in the same way. On the basis that significant payments were made as long ago as 2013, and that the planned capability has not yet been delivered across the service, I am not persuaded that good value for money has been achieved from this expenditure.

In the special report, I deal with the procurement of vehicles by the Irish Coast Guard for use by the cliff rescue teams. The Department signed a contract in November 2015 for the supply and fit-out of a number of vans to carry crew members and equipment. Between 2016 and 2020, the Department purchased 18 vans, costing almost €1.4 million, under this contract. The average all-in cost was around €76,500 per vehicle.

The examination found that the vehicle requirements had not been adequately set out in advance of the procurement process. There were also major gaps in the Department's records of the tendering process, in particular in relation to the evaluation of bids. As a result, we found there is no reasonable basis to conclude that the Department conducted a fair and impartial procurement process for the vehicles.

This report makes four recommendations aimed at strengthening the Department's procurement procedures for the future. These are that a strategic plan for equipment requirements be developed; that all procurements of equipment should involve technical and user input at the planning stage; that all significant procurements be based on a formal assessment of operational needs; and that the Department carry out regular reviews of its procurement procedures and processes. I am glad to report that the recommendations have been accepted by the Department.

Chairman: I thank Mr. McCarthy. I invite Mr. Spratt to make his opening statement.

Mr. Ken Spratt: The year 2020 was one of change for the Department of Transport. The tourism and sport functions were transferred out of it, and its remit is now focused solely on transport. Three programmes remained - civil aviation; land transport; and maritime transport and safety. The onset of the Covid-19 crisis in March 2020, along with the transfer of functions, necessitated the publication of a further set of Revised Estimates in 2020. The appropriation account for 2020 reflects this set of Estimates. The Department's net allocation in the further Revised Estimates for 2020 was, to round, €3.0285 billion, comprising €1.981 billion in capital and €1.047 billion current expenditure.

The allocation of capital was primarily directed towards the core capital programme, with an additional allocation of €113.25 million for the July stimulus. Current expenditure supported existing services, with a substantial in-year increase of €492.55 million in funding compared to the start-of-the-year position to address pressures caused by the Covid-19 crisis with €2 million related to July stimulus funding. As it transpired, not all of the emergency funding was required in 2020, which was a significant contributory factor in the surrender to the Exchequer of €176 million in current expenditure funds at the year's end.

I would like the committee to note that, taking on board the advice of the Comptroller and Auditor General at the Public Accounts hearing in May 2021, concerning the splitting of the land transport programme in the interests of transparency and better reporting, I can confirm that this has now been completed for 2022, creating three new programmes: programme A – sustainable mobility, covering active travel and greenways; programme B – sustainable mobility, covering public transport; and programme C – road networks and road safety.

The high-level goal for aviation in 2020 was to “maximise air transport connectivity with a safe, competitive, cost-effective and sustainable aviation sector”. The programme was allocated €41.865 million in current expenditure and €10.7 million in capital in the aviation sector. This financed public service obligations for the regional airports, as well as capital investment in aviation safety and security projects. The programme included €15 million in contingency to support the travellers' protection fund. This fund, administered by the Commission for Aviation Regulation, is in place to meet any legal obligations arising regarding customers requiring repatriation or reimbursement in the event of a travel or tour operator failure.

For land transport, our goal in 2020 was to “service the needs of society and the economy through safe, sustainable and competitive transport networks and services.”. In this regard, we are responsible for the corporate governance of the two leading planning and investment agencies, namely Transport Infrastructure Ireland and the National Transport Authority. A sum of €1.963 billion in capital was allocated to progress the core capital programme and also to provide additional Covid relief measures and a near-term economic stimulus. A sum of €917.062 million was allocated in current expenditure, primarily to support PSO-funded services. Of this allocation, €460 million was related to emergency PSO funding for non-commercial and commercial transport services.

Major construction developments in 2020 included the commencement of construction of the national train control centre, the Ballyvourney–Macroom development on the N22, the Dunkettle interchange, the opening of the N25 New Ross bypass in Wexford, and the completion of the N7 Naas road-widening project in Kildare. In addition, the development of the Dublin megaprojects preliminary business cases continued, along with construction of key national roads, the N5 from Westport to Turlough, the N56 from Dungloe to Glenties, and the N4 from Collooney to Castlebaldwin, despite severe disruption caused by the Covid-19 crisis.

Prior to the onset of Covid-19, public transport bus and rail services had effectively reached capacity. Year-on-year increases in fare revenue meant that PSO funding requirements were relatively stable. Public health measures introduced in March 2020 led to public transport capacity limits of 25% of normal capacity. Mid-year forecasts from the National Transport Authority, NTA, in a situation of a high degree of uncertainty, indicated that an additional €460 million may be required in subvention to address the shortfall. A portion of this funding was also utilised to fund a series of short-term contracts to support commercial public transport operators, which were also severely impacted by the Covid-19 crisis.

Under the maritime programme, our 2020 goal was to “facilitate safe and sustainable maritime transport and the delivery of emergency management services”. Of the €110.667 million comprising the current allocation to the maritime sector, €76.877 million supported Coast Guard services. Of the latter, €62.515 million was allocated to the Coast Guard search and rescue service delivered by CHC. A budget allocation of €5.659 million was invested by the Commissioners of Irish Lights, which is responsible for maintaining marine navigation systems in Irish waters. In addition, €15 million was allocated as contingency to support certain key commercial ferry services as a result of financial stresses caused by the impact of Covid-19 and related public health measures. A sum of €6.42 million in capital was allocated to support investment in Coast Guard building and assets and in the Commissioners of Irish Lights.

I note the committee’s interest in discussing a number of specific projects today, including BusConnects, DART+ and MetroLink. I expect the preliminary business cases for the three Dublin megaprojects to go to the Government shortly. I also note the committee’s interest in the Comptroller and Auditor General’s special report into the procurement of Coast Guard vehicles. On the latter, I share the Comptroller and Auditor’s concern as to its findings. Prior to publication of the report, or even to its genesis, the Department had been in the process of strengthening its corporate governance in the area of procurement. This has involved aligning the Department’s procurement activities with Office of Government Procurement guidance on procurement. Since the end of 2019, a procurement officer has been in place within the Department and has provided valuable support in ensuring that new procurements are conducted in accordance with all legal and administrative arrangements to ensure that the correct processes are followed.

The Department has strengthened its analytical tools in procurement analysis and will be further strengthening the corporate monitoring of procurement activity in 2022 and beyond, as we move towards multi-annual procurement planning and forecasting. The rising number of 40/02 declarations in the accounts in the past three years is a direct result of the monitoring, compliance, awareness and education frameworks we are implementing and are continuing to build on, as we seek to ensure that the smallest procurements are treated with the same rigour, thoroughness and attention to detail as larger procurements.

Chairman: The lead speaker from the committee today is Deputy Dillon, who has 15 minutes. He is to be followed by Deputy McAuliffe, who, along with other members, will have ten

minutes. At 11 a.m. we will break for five minutes or so. We will break for five minutes or so at 11 a.m.

Deputy Alan Dillon: I welcome the witnesses who are joining us. I will start with the roads improvement and maintenance programme and the allocation of approximately €1.2 billion to Transport Infrastructure Ireland, TII. I have a question for Mr. Spratt. How are funding allocations for local authorities determined? How does the Department, alongside TII, put these plans in place? I would like to get an understanding of how that works within the Department of Transport.

Mr. Ken Spratt: I thank the Deputy. I apologise; my machine seems to a little bit slow in unmuting. I am joined by my colleague, Mr. Dominic Mullaney, who is our expert in this area. Before I ask him to clarify anything, I will say that it is my understanding that the allocations in respect of roads and road maintenance are based on the number of kilometres of road the local authority has to maintain. As I understand it, the four Dublin local authorities are dealt with differently. I will ask Mr. Mullaney to clarify but, outside of the four Dublin authorities, the allocations are based on the number of kilometres of road the local authorities have to maintain.

Mr. Dominic Mullaney: There are two parts to be considered in answering the Deputy's question. First, there is the funding that TII provides for national roads, which ultimately comes from the Department but which is managed by TII in conjunction with the councils. Second, there is the funding for regional and local roads. This is administered directly by the Department and issued by the Minister every year. Approximately 90% of the funding for regional and local roads is dedicated to protection and renewal whereas the split for TII-funded roads, including national roads, in 2020 was quite different. Perhaps half of this money went on protection and renewal while the other half went on new works. Decisions on projects are made in conjunction with the Department when a national development plan is being drawn up and major projects are being looked at. As time goes on, projects are prioritised as they go through the various stages of the public spending code. If other factors need to be taken into account, such as access to a port or a location being on a Trans-European Transport Network, TEN-T, route, which are core European routes, certain commitments may be made. Such commitments have been made in respect of Foynes and Ringaskiddy. Those roads have to be done by 2030. These factors are all taken into account. I am not sure if that answers Deputy Dillon's question.

Deputy Alan Dillon: Mr. Mullaney has clarified that the responsibility for deciding which local authorities get funding for regional and local road projects lies within the Department. Does the Department assess the quality and the condition of local and regional roads in making these decisions?

Mr. Dominic Mullaney: The Department has an inspectorate which liaises with the various councils and also looks at works when they are completed and at proposed improvements to regional and local roads. Most of the moneys go on allocations for the main grants. These are restoration and maintenance grants, restoration and improvement grants and discretionary grants. Those allocations are based on road length. The Deputy asked whether we take condition into account. We did in the past but we have moved away from that. We now base allocations simply on length. The reason for that is that councils-----

Deputy Alan Dillon: Is that related to cost?

Mr. Dominic Mullaney: There are two reasons for it. Councils put their own resources into local roads. It is not only Exchequer money that goes into them. The problem is that a council

that puts very little of its own resources into its roads will have roads in worse condition than a council that puts a lot in and we would therefore essentially be penalising the counties that have provided funding themselves because, if allocations were to be based on condition, the next time a condition survey is done, these councils would do less well. Councils who did not spend the money effectively would also be rewarded for doing so. We have therefore come to the conclusion that the fairest way to make allocations is to do so based on road length. Because there is a backlog, all of the councils need these moneys. There is no danger that we are giving them too much. That is essentially how it is done. Most councils are happy with it, although they will always argue for more.

Deputy Alan Dillon: With regard to forward planning, how far in advance does the Department determine what local authority improvement works will be funded?

Mr. Dominic Mullaney: This is an area in which local authorities have quite a bit of discretion. We ask for a three-year programme. This year we have asked local authorities for restoration and improvement programmes for the next three years, that is, for 2022, 2023 and 2024. It is up to them to draw up a priority list at local level. We will determine the level of funding based on road length and the overall pot of money available in 2022. The amounts to be made available are usually made known to councils around the end of January. They will then look at their three-year programmes, knowing how much money is available. If there is a little bit more than we had told them to programme for, they will be able to begin some of their schemes for the following year. Essentially, it is managed through a three-year rolling programme.

Deputy Alan Dillon: On the capital estimates the Department puts in place, does Mr. Mullaney have any figures he can share with regard to the next programme to be determined?

Mr. Dominic Mullaney: We asked local authorities to base their programmes on their initial restoration and improvement grant for this year. The figure for these grants for the country overall was €260 million for this year. Each council gets a certain proportion of that and bases its programme on it. Because we will have an increased budget next year, there is a likelihood that councils will get a bit more than they did this year. That will allow them to get all of their projects for 2022 done and also to start into those projects that were programmed for the following year.

Deputy Alan Dillon: I thank Mr. Mullaney for that very useful and detailed response. I will move onto the issue of regional airports, whose importance cannot be understated. I come from the west of Ireland and Ireland West Airport Knock is a crucial asset for both economic and tourism activity. We need to maintain and improve air access to the regions and to support balanced regional development. With regard to the Department's offer, were there any Covid-19 supports for regional airports or any of the Dublin Airport Authority airports? Can the witnesses provide some insight into that?

Mr. Ken Spratt: Covid-related payments to Knock airport came to €1.931 million in 2020. There were also Covid-related payments to other regional airports. For example, Knock got €1.931 million, Cork got €1.4 million, Shannon got €920,000 and Kerry got €913,000. That was under the Covid supplementary supports schemes. Covid-19 funding was made available to regional airports during 2020, which is the year of the appropriation account being examined.

Deputy Alan Dillon: According to the accounts there was a decrease in the regional airport expenditure in 2020. Can the witnesses account for that?

Mr. Ken Spratt: The payments made to Knock specifically in addition to the Covid-19 payments in 2020 had capital expenditure of €553,295. There was also a payment under the public policy remit on the capital side of €329,000. They were down significantly on 2019 but this related to the lack of activity in Knock and, similarly, the other regional airports. As I mentioned earlier, in addition to the capital expenditure and public policy remit capital payments, Covid-19 funding was made available. The summary is that there was a reduction in 2020 payments but this related to the reduced activity. My colleague, Mr. Towey, is on the aviation side and may wish to add to the comments.

Mr. Fintan Towey: The regional airports also benefited from the wage support measures introduced in response to Covid-19, including the temporary wage subsidy scheme and the employment wage subsidy scheme, which are continuing. The fact some of the operational costs are reimbursed through these schemes means the call upon the Exchequer funding through the regional airports programme is reduced slightly. That may be a contributory factor.

Deputy Alan Dillon: I have a final question on regional airports. How is the annual capital amount per airport determined for 2022?

Mr. Fintan Towey: Within the envelope of available financial support, we invite the regional airports to put forward their projects that fall within the remit of the regional airport programme. The regional airport programme sets out the type of capital investments we can aid in accordance with the state aid rules. We receive early in the year the proposals from the airports and we have a process to assess their compliance and the extent to which available funding covers all the eligible projects. Out of that we give approval in principle to the airports and they reclaim the approved funding after the expenditure has taken place. Generally speaking, the airport requests are being met. Constraints such as the state aid rules and the available funding are not having the result that regional airports programmes for capital development are being constrained.

Deputy Alan Dillon: The last item I will focus on is the strategic rail review, which is very important work. The western rail corridor is within the scope of this review. I note there is no expenditure to date related to the competitive procurement process and the selection of Arup consultants to conduct the study. Could I get a progress report on how the work is progressing?

Mr. Ken Spratt: Mr. Doocey is heading the division overseeing the strategic rail review.

Mr. Garret Doocey: I thank the Deputy for the question. The Deputy would not have seen any expenditure for the strategic rail review in the material provided to him because all the financial material relates to 2020. It was in this calendar and financial year that a competitive procurement process was run and Arup was selected as the successful bidder in the process. The contract was signed at the end of August and start of September so payments have only just begun in this financial year for that work. As indicated, the strategic rail review is under way and kicked off formally at the start of September. It is expected to take approximately 12 months so we expect a full and final report certainly by the fourth quarter of next year. As well as the commenced work, we also expect a public consultation process to start very shortly connected to the process, allowing people, including public representatives, to make their views known on the future of the rail network on the island.

Deputy Alan Dillon: Who will see the findings from the report? Will that fall back to the Department? Has that been determined?

Mr. Garret Doocey: The report will come to the Department of Transport as the contracting authority in relation to the contractual arrangement with Arup. That is as one might expect with any report we commission.

Deputy Paul McAuliffe: I thank Mr. Spratt and all those attending today. I will start with the easy questions, including with regard to the metro. I am sure the witnesses are very familiar with the greater Dublin transport strategy in draft format that was presented this week. I have read it and been briefed on it by the National Transport Authority and I know the headlines that indicate the metro has been deferred by a decade are not true. What is not clear, however, is whether there is any timeline at all. When this goes to the Cabinet to consider as a business case, will a timeline be attached and what will be the timeline? This week the National Transport Authority was unable to give any indicative start date for construction or operation.

Mr. Ken Spratt: Before I get into the specifics of MetroLink, it is important for me to recall that we have the revised public spending code, which ensures we get maximum value for money from all our capital projects. It was revised as a result of some pretty bad experiences with some pretty big capital projects. We have a number of decision gates, starting with decision gate 0, a strategic assessment report. We would then move into the preliminary business case, which is subject to an external review. We then move to full cost-benefit analysis in order to proceed to tender, and again that is subject to an external review. Only then would we go with another second full cost-benefit analysis prior to the awarding of contract.

That is important in ensuring that when we are spending billions of euro of taxpayers' money in this case, we get our decisions right. This public spending code and process guards against cost escalation. It is really important that we go through those processes and find ourselves explaining our approach on this side of procurements rather than on the other side of procurements, when we could be in much trickier positions after public spending on capital projects go wrong. This code is really important and it has been welcomed by Secretaries General and Government officials. It guards against cost escalation by ensuring we have really high standards when it comes to business cases. It also ensures we have persistent challenge throughout projects and independent and rigorous challenge right throughout projects.

There is a really strong focus in the public spending code on governance and delivery. Therefore, we are able to emphasise front-end decision making and really get the cost estimation and benefit projection right. We are able to get delivery schedules right. This is why I am emphasising the point. The delivery schedule and procurement strategy are really important. If we get cost estimations, benefit projections, delivery schedule and the procurement strategy right, we will not have implementation difficulties or requests for extra tens or hundreds of millions of euro or even billions of euro. Ultimately, we will not have failure. It is really important for me to set that out.

On the scheduling, we are still in the early stages for MetroLink. We are at the preliminary business case stage. That has been received by us and we are reviewing it, as required under the public spending code. Once the review is complete, it will be submitted to the Department of Public Expenditure and Reform for its technical review.

Deputy Paul McAuliffe: My question was whether the business case that Mr. Spratt will put to the Government will be included in a timeline. This is because the NTA appears to have no timeline applied to the project. I do not know if that is because it is afraid to be bound by timelines that it project, or if there are no timelines at all. However, from transparency and public spending perspectives, surely timelines are essential as part of the business case.

Mr. Ken Spratt: The timeline that we will be coming forward with will be around moving to the next stage of the public spending code and the next decision gate. It will also be around moving into planning. I am sorry for emphasising this to the Deputy, but it is important. In order to guard against all those bad things that happen to big public procurement projects, we can only move through the decision gates one gate at a time. It is only when we come through the final decision gate, decision gate 3, with the full cost-benefit analysis to award a contract, that we will have sight on when the project is likely to go into and start construction, and when it is likely to complete construction. Many go to Government without a timeline. The timeline will be around going into planning. It will not be around the finalisation of the construction of the project.

Deputy Paul McAuliffe: The difficulty with that is that the NTA has consistently missed timelines in advance of the first gate. In 2018, there was the emerging preferred route. It was indicated in 2018 that the railway procurement order would be applied for in 2019. That did not happen. The question that many people are asking is why the NTA missed that key date of applying for the railway procurement order in 2019, long before Covid-19 came near the place.

Mr. Ken Spratt: Again, and I am sorry for emphasising this to the Deputy, we have to make sure that we have all of our ducks in a row. We have to make sure that we comply with the public spending code. Our analysis in collaboration with the NTA suggests that the dates that we have set out now are the best dates. I might ask Mr. Doocey about the delays to previous estimates-----

Deputy Paul McAuliffe: Before we move on. Mr. Spratt says that the date he has now is the best. Honestly, after the NTA briefing, many public representatives are scratching their heads wondering if there are any dates. We have not been given any dates. The only date that has been given is that the project will go to a railway order in the early quarter of 2022. That is welcome. Other than that, we have no other dates. I repeat the question. Perhaps there is a reluctance to be tied down to dates. Perhaps there are no dates at all. However, it is important that those dates are made public, so that we can keep track of delays. I refer back to the 2018 statements which announced the former Metro North. They were clear. They said that 2018 was the date for the emerging preferred routed; 2019 was the date for the railway order; 2020 was the date for the granting of the railway order; 2021 was the date for construction to commence; 2027 was the date by which the metro was to be in operation. Were those dates that were outlined in 2018 correct? Have they been revised? Why was it okay to publish them in 2018 but it is not okay to brief public representatives on them now?

Mr. Ken Spratt: My understanding, although I might defer to Mr. Doocey who is much closer to the project than I am, is that the revised public spending code has introduced changes. These allow us to be much more accurate in proceeding with projects, albeit subject to particular decision gates. We can provide timing estimations around the decision gates. However, we have learned from projects that have gone badly wrong that if one gets the delivery schedule wrong, they will ultimately come back looking for extra time and more money. Potentially projects could fail. We have some significant examples of that occurring where inaccurate delivery schedules were given. This caused all sorts of pressure, which led to delays, costs and the almost failure of the project.

Deputy Paul McAuliffe: Was the 2018 delivery schedule inaccurate. The schedule that I just read out that was in the NTA announcement in 2018 was part of the national development plan. Was that inaccurate? Was it underfunded? Why have those dates been missed? This goes to the heart of confidence in this project. If we are missing deadlines now, when we have not

even passed gate 1, there are real concerns. I outlined the 2018 timeline which was: 2018 for the emerging preferred routed; 2019 for application for the railway order; 2020 for the granting of the railway order; 2021 for the commencement of construction; and 2027 for the metro to be operational. I have no update to the schedule. The NTA cannot apply new dates to that staging. Was it wrong to outline that schedule in 2018? Have those dates been missed? Why have they been missed? What is the Department doing to make sure that the NTA does not make further deadlines?

Mr. Ken Spratt: I will invite Mr. Doocey in, if the Deputy does not mind.

Mr. Garret Doocey: I thank the Deputy for highlighting that issue. It speaks to the Deputy's own points that he raised generally in his contribution on the frustrations around the timeline. It also speaks to Mr. Spratt's points around what the public spending code and the revised public spending code are seeking to guard against. There were huge, phenomenal responses to both of the emerging preparatory consultation back in 2018 and 2019. They raised complex issues about design, local community engagement, etc. They required a considerable amount of time to reflect upon and revise for the design and route at that time. They changed considerably, as we are all aware, from the emerging preferred route to the preferred route. Clearly, in retrospect, those dates were not feasible. They were missed, if the Deputy wants to put it that way.

Details in the case of the revised public spending code rose in December 2019, as Mr. Spratt introduced and spoke about. That seeks through its decision gate mechanism to ensure that we get a lot better, again as Mr. Spratt mentioned, about ensuring that we are making the right calls at the right time. The timings are fundamental. The Deputy acknowledged that when he said they were hugely significant. Decision gate 1 is imminent. That will allow the project to move into the planning system. That will be a massive step forward for this project. Once it is in the planning system, there is no fixed date around the time that it needs to come out of the planning system. It will need to get past decision gate 3 at the end of that approval to proceed. At that decision gate, that will be the time we go to Government and set out the exact details, such as what we think budgetary envelope for the project will be at that particular time, taking into account the changes that may be required in the planning process, the delivery schedule, and also the benefits realisation. At that point, then, measurement will start about whether we are on track or off track in the construction phase.

Clearly, now, the real focus on a departmental level is to complete a review of the preliminary business case. At a project level, there are still outstanding issues. This is a huge, massive, complex project. It is likely the largest ever public investment project in the history of the State. There are still issues at a project level about closing out the necessary planning and environmental documentation to allow them to be ready to enter the planning system. There is, therefore, a massive emphasis and focus on a departmental level and at an agency level to get this through decision gate 1 and into the planning system. That is the core focus right now.

Deputy Paul McAuliffe: I want to thank-----

Chairman: You are three minutes over time.

Deputy Paul McAuliffe: I appreciate that Chair, but it is clear that answers also need to come from the NTA. I would ask that we revisit our request that the NTA come before the Committee of Public Accounts, because the Department of Transport is obviously operating this from a procurement side. We need the operational issues from the NTA and TII before us.

Chairman: We can do that.

Deputy Paul McAuliffe: I appreciate the Chair's discretion.

Chairman: I call on Deputy Seán Sherlock.

Deputy Sean Sherlock: I would like to echo Deputy McAuliffe's comments in seeking to request that the NTA would come before us. It would be vital, if at all possible, that we would hear from it on this issue.

I will be brief. As is usual on a Thursday there are sometimes conflicting diary requirements. I want to seek reassurances in respect of the Comptroller and Auditor General's special report 113 on procurement to vehicles by the Irish Coast Guard, that there is a clear matching up between the four recommendations that are aimed at strengthening. I am quoting from the Comptroller and Auditor General's report that they are aimed, "at strengthening the Department's procurement procedures for the future". Can we be assured of the following for each of the recommendations for the strategic plan for equipment requirement: that all procurements of equipment should involve technical and user input at the planning stage; that all significant procurements should be based on formal assessment of operational needs; and that the Department would carry out regular reviews of its procurement procedures and processes? I want a short reassurance from the Secretary General that that is all now under way. The Secretary General states that the Department has strengthened its analytical tools for procurement analysis. I remain to be assured that we have a robust and fit-for-purpose system. Can the Secretary General give us those assurances? That is my first question.

I will ask three questions specifically and then I will take my leave. The second question is about national secondary routes.

Major construction projects begun in 2020 are under way. I believe strongly that there is a need for a policy intervention by the Department in respect of those national secondary routes that are in a deplorable state, such as the N73, in such a way that would ensure that TII, funds projects like that relating to the Mallow to Mitchelstown road. The latter is, arguably, one of the worst national secondary routes in the country, even though it is a vital artery for commercial and domestic traffic in the north Cork area and a vital route between Kerry and Dublin. I continue to make the case for funding for this road. I ask that the N73 project remain on the agenda, and I make no bones about raising the matter at this forum.

On the Leap card, the Secretary General informed us that "Year-on-year increases in fare revenue meant that PSO funding requirements were relatively stable." I am seeking to expand Leap card services in my county of Cork, specifically on routes between Mallow and Cork, where there a massive number of commuters on a daily basis and where there is still not a Leap card service, even though it could be argued that it is a viable route. I can travel from Bray to Pearse Station using a Leap card, but I cannot go from Mallow to Cork. There is an inequality between services on the eastern seaboard and those in the regions. I ask that, as a policy, the Department looks at the roll-out of Leap card services for the towns that service big cities, such as Cork. It is vitally important.

Mr. Ken Spratt: I can give Deputy Sherlock that assurance in a word, "Yes". If he does not mind, I will expand a little on that. I accept that our procurement processes were in need of tightening. There is no doubt about that. As I mentioned in the appropriation account, the Department carried out a procurement gap analysis in 2019. We identified several recommen-

dations for enhancements around procurement. That report included a comprehensive suite of recommendations covering the appointment and functions of a procurement officer, in addition to corporate governance matters, measuring and monitoring compliance, communications, training requirements and corporate governance of agencies as regards procurement. Deputy Sherlock will be delighted to hear that we appointed a procurement officer in 2020, as was recommended. Enhanced corporate governance, and improved measuring and monitoring of compliance and training, are being implemented.

As a relatively new Secretary General, this is something I am very focused on. I expect that we will learn some lessons from much of our seeking out, and the 100% review, where we now look at every procurement. I expect we will find some things when we do that review but, once we are through all of that, we will be a lot more fit for purpose and a lot cleaner than we are at the moment. A lot of very good work has been done over the past 18 months to two years. There is more work to be done, but we are making very good improvements in that area.

On national secondary routes, the state of the N73 and the need for it to be improved, we have processes around prioritisation for new roads and for protection and renewal, which includes safety works and minor projects. For new roads, the prioritisation processes include TII and NTA recommendations. We also look at Government objectives under the national planning framework and the national development plan, current Department priorities, levels of congestion, the possibility of releasing space in towns for active travel, projects that improve access to public transport facilities and the general rationale set out in our national investment framework for transport in Ireland, NIFTI, which is our transport investment strategy. That has a number of priorities, including a mobile hierarchy and investment hierarchy.

I know the Deputy is specifically interested in protection and renewal. For protection and renewal, and any minor projects, we monitor those problems the Deputy and others have highlighted at our quarterly monitoring meeting with TII. If there are serious issues that need to be addressed, we try to raise them at that meeting. At the periodic meeting of the TII board - it may be quarterly or more often than that - it is decided what funding will be provided. The Deputy mentioned the N73. We will look at it, as he asked, and we will see where it fits in the greater scheme of things.

On the Leap card, we are very keen to encourage modal shift with our decarbonisation agenda. That is not just in the cities, but in regional and rural areas. Due to our ambition regarding decarbonisation, we have a big job of work to do in shifting people out of cars and onto public transport. We have plans to increase our current public service obligation funding for regional and rural bus services. It is something we will be very focused on over the next couple of years. I accept the point the Deputy made regarding the Leap card. It is something we have to sort out. We have to make it easier for people to use public transport services, not only by making the services available but by having them available when people want them, having more services and also having ease-of-use of those services. The greater and wider use of Leap cards throughout the country is something I am very mindful of.

Deputy Catherine Murphy: The witnesses are very welcome. I could spend about half an hour asking questions. I really want short replies in order that I can be efficient with my questions.

What is the specification for the buses that were purchased? What fuel do they use? Some €65 million was spent on them. Are they diesel, hybrid or electric? What is their lifespan? If the witnesses have not got that information today, will they provide it to us in writing? I want

a very short reply to that.

Mr. Ken Spratt: I have some information on that but given that the Deputy asking for quite a bit of information, if she does not mind, we might send it to her in writing. I can give some information on it now, if she wishes.

Deputy Catherine Murphy: I am happy to take it in writing if all the questions I asked are covered in the response.

On MetroLink, the various processes and decarbonisation were talked about. There is a new imperative in the climate budgets and transport plays a very big part in that. MetroLink is the biggest public transport project within the timeframe of those budgets. None of us are looking for inefficient spending, for things to cost more than they need to and for not fully evaluating everything that should be included but, surely, it will be possible, given the new space we are in regarding obligations, for the Department to at least parallel some of the processes to reduce the timeframe. If there are no timelines, essentially, it can be open-ended. What are the impediments to delivering MetroLink as quickly as possible?

Mr. Ken Spratt: I should mention a distinction between our 2030 and 2050 decarbonisation commitments because it is important in the context of MetroLink and the big strategic projects. In order to meet the target of halving our carbon emissions from transport by 2030, we will focus on more electric vehicles. We have to get 950,000 of them on the road by 2030. We also have to increase our biofuels so there will be a 20% bio-blend for diesel and a 10% blend for-----

Deputy Catherine Murphy: I will just short circuit this. Mr. Spratt is telling me that MetroLink is not included in the 2030-----

Mr. Ken Spratt: Yes, but it is very important for 2050.

Deputy Catherine Murphy: The timeline becomes all the more important when we hear that because the level of ambition is a real concern.

I will move on to a number of other questions. Mr. Spratt said earlier to Deputy Dillon that the biggest contribution to the motor tax fund is likely to come from the east coast because of the sheer numbers of people who live there. He is saying the four Dublin local authorities are excluded from the allocations. It that because they self-fund the regional road programme? What is the reason for that?

Mr. Ken Spratt: I was not speaking about motor tax. I might ask my colleague, Mr. Mullaney, to come in on this point if I am wrong. We were talking about the allocation of funding from the Department to local authorities from the central Exchequer. That is based on kilometres to be serviced by the local authorities. I said that as I understand it, the four Dublin local authorities are not provided central Exchequer funding because they self-fund. I might ask Mr. Mullaney to confirm if that is right because I am not sure it is.

Deputy Catherine Murphy: I think Mr. Spratt is right about that but I would like it to be confirmed.

Mr. Dominic Mullaney: That is the position.

Deputy Catherine Murphy: Road usage, even if the areas in question are the most heavily congested, is not taken into consideration, just road length. Roads will, obviously, deteriorate

if they get heavier use. Is that not considered?

Mr. Dominic Mullaney: The current method is based on road length but there was an arrangement in 2014 when the funding was based on population. In that case, the criteria was not purely road length. The local authorities are, essentially, asked to self-fund.

Deputy Catherine Murphy: That is fine. I want to move on to another issue. Ten minutes is far too short for all I want to ask. KPMG prepared a detailed appraisal or business case for the Department on the new search and rescue service from CHC Ireland, which will run until 2024 or 2025. There is an extension involved. A formal procurement process for the new Coast Guard aviation service was due to commence in October. Did it commence and has it been initiated? Will our guests provide the committee with the business case? CHC Helicopter, the parent of company of CHC Ireland, is a client of KPMG. What assurances or declarations were required of, or made by, the company ahead of or during the appraisal and development of the business case?

Mr. Ken Spratt: The procurement process has not yet commenced because there was some engagement between ourselves, the Department of Defence and the Air Corps about the possibility of the Air Corps providing some element of the contract. We are still bottoming that out. I would expect it to go to the Government before the end of this month and once we get through Government, we will be commencing the procurement process.

As regards the business case, needless to say there are strong rules about public procurement processes and in the normal course, business cases would not be published during a procurement process in order to protect the integrity of the process. I would expect that, in due course, we will be publishing procurement documentation but not while the process is under way in order to protect its integrity.

As regards the question about a conflict of interest, public procurement rules and law include provisions which need to be adhered to. We also have conflict of interest rules and laws in general. We are satisfied, based on our inquiries, that there is no concern from a conflict of interest perspective. Mr. Towey may wish to add to that reply. As I understand it, we do not have conflict of interest concerns.

Deputy Catherine Murphy: A conflict of interest and even a perceived conflict of interest should be a concern. Were there declarations or assurances? Was it done in a formal way to ensure there were no conflicts of interest? We keep hearing about Chinese walls. What are the declarations and assurances to be certain there are no conflicts of interest?

Mr. Ken Spratt: In order to be absolutely right and on the money on this issue, I might come back to the Deputy in writing, if that is okay. I can say we are satisfied but I will provide the Deputy with a note setting out what assurances we have sought and been given.

Deputy Catherine Murphy: I will also ask about night-vision goggles. Why was that not part of the requirement? Why was it separate? If that is going to go out to tender and a different company is awarded that tender, the apparatus will have to be stripped out and refitted into the company that is awarded the tender, assuming there is competition in the market. Was that thought about in advance of that contract?

Mr. Ken Spratt: I should highlight that we are breaking new ground when it comes to night-vision imaging systems, NVIS. This is the first time a commercial operator and the Irish Aviation Authority, IAA, the regulator in this space, has implemented an NVIS regime. There

are no international or European precedents to follow here. We do not have regulations from the International Civil Aviation Organization, ICAO, or the European Union Aviation Safety Authority, EASA, to follow relating to the use of NVIS. This is important. The IAA is still going through the process of ensuring that the regulatory approach to NVIS is in place. The regulatory approach has not been fully determined yet. We are breaking new ground and until such time as the regulatory regime is in place, we simply cannot put a public procurement process in place.

Chairman: I will let the Deputy back in during the second round of questioning.

Deputy Catherine Murphy: Please do.

Deputy James O'Connor: For the first time on the public record, I wish to say to the Chairman how grateful I am for his guidance and assistance. I am thankful for it. It is good to have the Secretary General, Mr. Spratt, before the committee. The Department he is in charge of and controls an astronomical budget in terms of the capital projects it is working on. I have worked closely with him as a member of the Joint Committee on Transport. We have, in recent days, seen project delays raise their ugly heads again. As a young parliamentarian, I am anxious to see progress being made on future development and trying to help to diversify our transport infrastructure in Ireland and install a more climate friendly transport infrastructure in both urban and rural areas. I am very concerned, to be straight with Mr. Spratt, because the amount of time it takes to build projects in Ireland is not right. Something is amiss. Public confidence is important for all of us elected representatives and Members of the Oireachtas. We represent our constituencies. When I talk to ordinary members of the public on the ground, they have lost all confidence in the Department for Transport's ability to build major infrastructural projects. Things like the metro have not helped. That is an issue the Department needs to tackle urgently. I am not trying to throw anyone under a bus but that is the reality of how the people of Ireland view the progress that is being made in the Department of Transport. We are facing an unprecedented emergency for our climate. We must get more people onto public transport. We urgently need the development of public transport infrastructure and the fact that we are now in 2021 without an underground metro system in our capital city, a primate city which has more than 1 million living in it, is completely and utterly unacceptable. That is not the direct responsibility of the witnesses before the committee today. Many of their predecessors had a role to play in that absence, as had other elected officials. It is important for me to set the context for some of my questions. Surely one of the witnesses is in a position to answer this question. Taking a project like MetroLink, if we were to restart it from scratch in the morning, what would be the timeline from concept phase to it being built if all went to plan?

Mr. Ken Spratt: I cannot give the Deputy a number. The Oireachtas enacts laws and the Department of Public Expenditure and Reform rightly ensures that rules are in place so that taxpayers' money is well spent. We have a body of common law and property rights that ensure people have certain rights that they can exercise before the courts. We as civil servants have to comply with the law of the land and public procurement rules. We have to appear before Oireachtas committees, including this one, and give them assurances that we have done our best to maximise value for money. We have a public spending code, which was introduced as a result of major capital projects going wrong. One reason that projects go wrong is because of pressure being applied in order to estimate the costs in a particular way in order to project the benefits in a particular way, speed up delivery schedules and ensure that the procurement strategy saves time.

I understand the Deputy's frustration. We tend to be frustrated with all of the rules, regula-

tions and laws with which we have to comply, but we do comply with them and we will comply with them. Therefore, all I can say to the Deputy regarding the amount of time a process will take from concept-----

Deputy James O'Connor: I have to cut across Mr. Spratt. As he knows, I do not have the luxury of time. I have approximately five minutes left on the clock.

Mr. Spratt is the Secretary General of the Department of Transport. He has an entire team in his Department whom I, as a public representative, expect to deliver these projects. I am not laying blame as such, but what does Mr. Spratt think we as legislators need to do to make his life easier in terms of delivering these capital projects? Is there any step in the process, which he eloquently outlined to us, where efficiencies or improvements could be made? We have to spend billions of euro just to play catch-up and bring us to a level we should have been at 20 years ago. I did not use the word “emergency” lightly. There are so many avenues that we have not explored yet in terms of improving public transport. MetroLink is only one of a number of projects that need to be explored, but I have a concern about their delivery. I would like some feedback on that. The Department is dealing with billions upon billions of euro of taxpayers’ money. What does Mr. Spratt think the Oireachtas could do to make his Department’s life a little easier in terms getting these projects delivered? I ask him to resist referring to efficiencies under the public spending code because that process generally takes between six months and a year whereas we are discussing projects that have been delayed for decades. Is it an issue of funding certainty or the planning process? Has Mr. Spratt notes for us in that regard? Will he embellish some of these points, if possible?

Mr. Ken Spratt: There is a whole lot more that I can say in addition to what I said earlier. We have the public spending code. We are going as fast as our little legs will carry us with the NTA and the approving and sponsoring authorities. As to whether there is more that could be done by the Oireachtas to help us, I am not sure that there is. We have the laws of the land. It would be great if the planning process was expedited, but it takes as long as it takes at the moment.

Deputy James O'Connor: How? What needs to be done? Will Mr. Spratt expand on that? I am not trying to trap him into answering questions. The public, the media and I are interested in this matter. What proactive measures could help to speed up the development of new Luas lines? I am from Cork, whose city has no Luas line. On paper, these projects look like they could take two decades. Has Mr. Spratt suggestions on reform of the planning process? He said that there was not much more he could say. To be fair to him, he had a good reputation as a civil servant even before getting his current role, but that was not an acceptable answer. He could give us some bit of guidance. Will he please respond on this point?

Mr. Ken Spratt: Okay. Two elements cause us to spend time, the first of which is the public spending code, which was recently revised. Could it be made more efficient? I am not sure to be perfectly honest. We will go through it, learn as we do and provide feedback to our colleagues in the Department of Public Expenditure and Reform on potential improvements that could be made. That is one possibility.

As the Deputy rightly pointed out, a reform of the planning process is under way. I know that the Attorney General himself wants to make it more efficient and is very focused on that. If we could save some time in the planning process, that would be fantastic. From what I have heard about the intention to tighten up the planning process and introduce efficiencies into it, I am somewhat hopeful that we could speed up some projects.

Those are the two key elements - the planning process, which causes delays, and the public spending code, which we are doing our best to implement as efficiently as we can. If we could make time efficiencies or savings in that regard, it would be welcome.

Deputy James O'Connor: I have a question for all of the witnesses from the Department of Transport. They act under ministerial guidance, but they should make a submission on the reform of the planning process. It is exciting that the Government will examine this issue. No doubt it will be extremely complex and may take more than a year. There is an opportunity for the witnesses and their Department to feed into that process and they should seek to do so. Speaking as my party's spokesperson on transport and as a member of this and other committees that scrutinise the Department's work, that would be a prudent thing to do in order to increase how rapidly we build public transport projects.

I am out of time, but I thank Mr. Spratt for answering my questions.

Chairman: Deputy Verona Murphy has not joined us yet. Neither have Deputies Munster, Hourigan and Burke. Members are tied up with Dáil duties. If any of them join the meeting, I will invite them to contribute then.

I have some questions, and if the witnesses keep replies to them short, I will work my way through them. My first question is on public private partnerships, PPPs. Last year, the cost of PPPs ran to €148 million. I have a list of them in front of me. That figure increased from €73 million the previous year. Did all of the increase of €75 million relate to extra costs due to a drop in traffic volumes owing to Covid?

Mr. Ken Spratt: I am not sure if that is the case and I do not know whether Mr. Mullaney will be able to answer. In the event he cannot, we will have to revert to the Chairman. I do not believe all of the increase was related to Covid. Has Mr. Mullaney any insight that he might be able to share?

Mr. Dominic Mullaney: No. I do not have the figures that the Chairman is looking at, but I can speak about-----

Chairman: They are from the 2020 financial statement.

Mr. Dominic Mullaney: -----the traffic guarantee payments, which are sometimes called variable operational payments. In 2019, they came to approximately €4.5 million. In 2020, they came to approximately €10.5 million. They increased by €6 million because of Covid over the year. If there was a large change, it would be due to other factors. It could be due to a VAT payment that was due when a road was opened. There could be a large bullet VAT payment due. There are various reasons but there were no sudden changes because of Covid.

Chairman: The N18 Limerick Tunnel went from €20 million to €43 million. Is that correct?

Mr. Dominic Mullaney: No. The figures I have, which we can check, are €4.4 million for it in 2019 and €7.9 million in 2020. If the Chairman is looking at a much different set of figures, it is best if we come back to him and double-check the figures. I do not think any change would be of that order.

Chairman: I ask Mr. Mullaney to get back to me on that set of figures. I will move on to spend on the Coast Guard service. As I understand it, five helicopters are contracted. The con-

tract started in 2012 and runs until 2022. It is running at roughly €60 million per year on average. That would bring it to somewhere in the region of €650 million by 2022 and €770 million by 2024. Is that accurate? Can I get a short answer on that?

Mr. Ken Spratt: It sounds accurate, unless Mr. Clonan disagrees.

Chairman: Four of the five helicopters were described as in service, and there was one new one. Did the Department provide in the region of €35 million at the beginning of the contract for the purchase of helicopters?

Mr. Ken Spratt: I call on the director of the Coast Guard, Mr. Clonan, to take that question.

Mr. Eugene Clonan: I do not have the contract in front of me. We have five helicopters, four of them at the four bases. The fifth helicopter is spare. With four helicopters, maintenance is required to keep the service operational at the four centres. You swap one helicopter in and take one helicopter out to maintain it. It takes about a month and a half to maintain the helicopters for any issues where they have to stand down. In the contract, we do not buy the helicopter. We use CHC as a service provider. I think the €35 million the Chairman is talking about is to do with the stage payments at the beginning of the contract. Stage payments were made in the first two or three years as each base was stood up. It was not for the purchase of helicopters.

Chairman: On the €4.3 million spent on modification, what would happen if there was a different company? The contract has been extended for another three years but if a new company entered the fray, what happens to the €4.3 million in equipment that was spent on modifications? Does that go with the company?

Mr. Eugene Clonan: To go back a bit, in 2009 we went to tender to get the service. At that time, if we had got a service provider in with the market research with night vision imaging system, NVIS, equipment on board, we would not have met the transition date from the end of the old contract to the new contract. Therefore, the tender document went out with provision of the service as the thing and, as an option, with NVIS. Why are we going for NVIS? The benefit of night vision capability for the Coast Guard is that it enhances operational effectiveness and safety. That is why we are seeking NVIS. We looked at implementing NVIS on a phased basis, based on the tender proposal to put it in after the service was started. We did that and, in 2013, we modified the helicopters. Each of those helicopters cost in the region of €40 million to €45 million. For each to be modified cost just under €1 million. As you build helicopters by Sikorsky or whichever company, the models change so the modification for night vision in each helicopter is different as they age and for each helicopter. It is like different models of cars and different ages of cars.

Chairman: Will Mr. Clonan stick with the initial costs?

Mr. Eugene Clonan: To answer the question, it stays with the helicopter. At the end of this contract, when we go out to the market again, a different helicopter may be proposed. The contractor that has these helicopters will have to send them back out on the market. The next person who uses those may not use NVIS.

Chairman: Can I get a straight answer to two questions? First, is Mr. Clonan confirming that the Department or State did not put money towards the purchase of helicopters?

Mr. Eugene Clonan: That is correct. We did not purchase helicopters.

Chairman: Roughly, what is the price of those helicopters new?

Mr. Eugene Clonan: The Sikorsky S-92 is about €45 million. I am not 100% but that is a ballpark figure. The lifespan is about-----

Chairman: The total cost of the contract running up to 2024 will work out at €770 million. Is that correct?

Mr. Eugene Clonan: I think that is in or around the cost. It is running at €60 million per year. We have a contract for ten years and have extended it for another two years. The maths stand.

We have monthly standing charges and the variants relate to the amount of flying they do. There is a little movement depending on how active they are year on year but €60 million is the ballpark figure. It does not move much from that.

Chairman: A sum of money was provided for training. Some €1.7 million was spend on staff training on using night vision a number of years ago. What is the progress with that so far? There is only one base, as I understand it, using that training.

Mr. Eugene Clonan: The commercial proposal for training of the crews was around €4.1 million. We have paid €1.7 million. We initiated that contract in late 2018, whereupon training commenced.

Chairman: To probe the issue of the staff training, it was supposed to start in what year?

Mr. Eugene Clonan: The commercial proposal was paid for in autumn 2018. The preparatory work for training commenced directly after that.

Chairman: Over three years later, only one base is trained up to do this. Why is that?

Mr. Eugene Clonan: Timelines have been far longer than originally anticipated. Benefits are being realised for commercial air transport and will be realised for SAR operations with NVIS when training approval is received and a licence granted for the use of night vision for SAR operations. Covid and-----

(Interruptions).

Mr. Eugene Clonan: -----are impacting on the ability to complete NVIS training within the original projected timeline. CHC is working with the IAA to seek approval to increase the number of its pilot trainers to carry out SAR training and operations in order to build its internal SAR-NVIS training capacity as planned, which is a critical milestone for the delivery of SAR night vision across the four bases. The associated verification by the IAA is almost complete and the IAA expects to promulgate the SAR approval for NVIS shortly.

In summary, Covid had an impact-----

Chairman: Will Mr. Clonan furnish a note on that to the committee?

Mr. Eugene Clonan: Certainly.

Chairman: I propose we suspend for a few minutes.

Sitting suspended at 11.01 a.m. and resumed at 11.10 a.m.

Deputy Matt Carthy: I thank the witnesses for being here. The carbon action plan published last week sets a very ambitious emissions reduction target in transport of 51%. What proportion of that reduction does the Department expect to meet through the conversion to electric vehicles?

Mr. Ken Spratt: It is hard to be precise in my answer, to be perfectly honest. There are two targets set: one is 51% by 2030 and the other is net carbon neutral by 2050. For 2030, there are four different measures that we are going to go with, one is the EV piece. There will be 950,000 EVs by 2030, or at least that is our ambition. We also have to get-----

Deputy Matt Carthy: We will stick with the 2030 target because that is something that we can realistically talk about. What proportion of the 2030 carbon emissions target will be met by electric vehicles?

Mr. Ken Spratt: I cannot give the Deputy a figure. I can do some follow-up to see if we can be precise about it. I can say this. There will be four parts to it. There will be the EVs; there will be bio-blend in diesel and petrol; there will be a reduction in the kilometres of petrol and diesel internal combustion engine, ICE, cars; and there will be modal shift. We are trying to get an additional 500,000 daily trips into public transport. All of those combined will give us the 51% reduction. As regards the specific part of that 51% that is related to EVs, I will have to come back to the Deputy on that.

Deputy Matt Carthy: Has the Department set targets for how much of the 51% would be met in the specific areas of biodiesel, public transport and reduction in kilometres?

Mr. Ken Spratt: We have a sense of it; I just do not have it in front of me, but it is something I can get quite quickly and have it sent to the Deputy.

Deputy Matt Carthy: The Department also has a target of car travel journeys to be reduced by 500,000 per day. Does the Department have a target for where those car journeys are? How many will convert to walking, cycling, public transport or not taking the journey at all?

Mr. Ken Spratt: Again, we do not have the granular detail at this stage. We have the ambition of 500,000 additional active travel and public transport journeys by 2030. We do not have more granular detail on that yet, but it is something we are continuing to do our modelling and research on. Again, I can provide the Deputy with a note in terms of the modelling and research that we propose to do in order to bring more granularity to that, if that is okay with the Deputy.

Deputy Matt Carthy: I would appreciate that. Where did the figure of 500,000 come from? Was it set politically or was it based on any quantitative data?

Mr. Ken Spratt: No. We have very good modelling done by the various different agencies. The National Transport Authority, for example, would look at users and how to reduce travel demand and modal switch. There is very good modelling done and I can set that out in a note for the Deputy. Also, TII has done very good modelling on vehicles and fuels. We draw on other specialists as well. I can provide the Deputy with a note. It will be very complex because this is a complicated area.

Deputy Matt Carthy: I understand that. I am sorry for rushing; I have several questions to ask.

Even though we cannot get the specific proportions of the 51% today, it is fair to say that

electric vehicles will play a big part according to the plan that was published last week. During the break there was discussion among ourselves about the percentage of people who would buy a new car as a matter of course. I do not mean every year or every two years but whenever they are changing their car, they would purchase a brand-new car as a matter of course. Do we have the proportion of people who would do that?

Mr. Ken Spratt: The Deputy is asking me all the questions for which I do not have answers to hand. I have thousands of pages of briefing in front of me; I do not have that page to hand. I again apologise. I will come back to the Deputy on that percentage.

Deputy Matt Carthy: I ask Mr. Spratt to explain the level of subsidies involved. On average, how much do taxpayers contribute towards somebody purchasing a new electric vehicle?

Mr. Ken Spratt: As I understand it, the grant available - colleagues can correct me if I am wrong - is €5,000. That is the grant that is available at the moment. The intention is just to bridge the gap between an internal combustion engine vehicle and an EV.

Deputy Matt Carthy: Am I correct in saying that electric vehicles account for about 7% of total sales this year?

Mr. Ken Spratt: I know it is increasing from a very low base. I am not sure where the Deputy got the 7% figure from. It sounds right to me, but I am not-----

Deputy Matt Carthy: It comes from an Electric Ireland press statement that includes a table stating that the share of electric vehicles increased from 4% in 2020 to 7% to date. I do not have the actual date. I think it was in August. Do we have a breakdown of electric vehicles by county? Do we know, for example, how many of those electric vehicles were purchased by residents in Dublin?

Mr. Ken Spratt: I think we would be able to provide that to the Deputy, but again I do not have it to hand. That is something that we should be able to provide to the Deputy in follow-up.

Deputy Matt Carthy: Would it be fair to say that a large proportion of electric vehicles would be purchased in Dublin and other large cities?

Mr. Ken Spratt: It is speculative. We would hope that there would be take-up of EVs throughout the country. I think most of the vehicles purchased up to now would have been purchased by city-based purchasers for a variety of reasons. I guess chief among them would be the longer journeys that need to be taken in regional and rural areas, and, I suppose, the range anxiety that would-----

Deputy Matt Carthy: It would be useful if we could get a breakdown by county. At the point when this table was compiled, 4,333 electric vehicles had been purchased so far this year. It would be useful to get a breakdown as to where they were purchased. Obviously, a key issue is the issue of charging points. I know in my county the coverage is pathetic. I think three towns have one charging point and all other towns and villages have none. It seems bizarre that no petrol station that I visit has an electric vehicle charging point. Who is to blame for that?

Mr. Ken Spratt: What I can say to the Deputy is that we have a long way to go when it comes to EV uptake and EV infrastructure. I recognised this when I took over the Department. I established a new climate action division. At the moment, we are in the process of recruiting an assistant secretary. I have moved five principal officers into that climate action division, one

of whom is responsible for EVs. We will be publishing an EV strategy by the end of next year. We will be establishing an office of low-emission vehicles in collaboration with SEAI and other experts in the area.

Deputy Matt Carthy: I am trying to get specifics here. When will we see electric vehicle charging points at every service station on our motorways, even if we just reduce it to that?

Mr. Ken Spratt: I cannot give the Deputy a date right now because I do not have a date. We have to produce the strategy. We have to understand the challenges that are involved to get that done. There has to be some sort of a plan to get it done. That will all be published.

Deputy Matt Carthy: Mr. Spratt does not have a date for that. In the current plans, what new rail lines are envisaged and are in some stage of design or planning? Will the witnesses list them?

Mr. Ken Spratt: I might pass that to my colleague, Mr. Doocey. Regarding the megaprojects, MetroLink is planned, there are plans for the Luas and the strategic rail review is under way. With the Deputy's permission, I will ask Mr. Doocey to address this.

Deputy Matt Carthy: I do not want to hear about the review, which we know about. I ask Mr. Doocey to list which additional rail lines are currently on his desk at some level of planning.

Mr. Garret Doocey: Is the Deputy referring to heavy rail or light rail?

Deputy Matt Carthy: The metro and Luas have been referred to. What additional passenger lines are planned which are currently not in place?

Mr. Garret Doocey: The planning and strategic framework will be set out in the strategic rail review. I take it from the Deputy's clarification that he is asking about heavy rail, which includes rail lines operated by Iarnród Éireann, not light rail and metro.

Deputy Matt Carthy: I know about the metro and the Luas extension. Are there any other new rail lines? I understand that the line to Navan has been agreed. Is any other new rail line that is currently not in place agreed at a political level?

Mr. Garret Doocey: The potential for new rail lines has been looked at in the context of the strategic rail review. The Navan rail line which the Deputy has referred to features as a proposed extension of the M3 Parkway line in the new revised greater Dublin area strategy. Other than that, there is the upgrade to the DART+ line, the relaying of the Dublin-Cork track, upgrades to regional lines and track relaying on the Ballybrophy line, the Cobh commuter rail upgrade-----

Deputy Matt Carthy: I thank Mr. Doocey. I am not asking about upgrades. I take it from the answers that other than the key projects that I talked about in Dublin, there are no firm proposals for new additional passenger lines.

Mr. Garret Doocey: There is a light rail proposal for Cork-----

Deputy Matt Carthy: There is the metro, the Luas and the Cork line.

Mr. Garret Doocey: There is a strategic assessment for the Cork line.

Deputy Matt Carthy: That is fine. That is all I wanted to know. No answers were provided to any of the questions that I have. I am trying to figure out what the plans announced by

the Government would mean for my own constituents. We have no rail network.

Chairman: That has been clarified.

Deputy Matt Carthy: I gather from what we are hearing now that it is not going to happen. We have three electric vehicle charging points. We have pathetic bus services and no plans really to expand them. If we are to play a part in the reduction of 500,000 journeys per day, the only strategy is to make it too expensive for some people to make some journeys. Is that correct?

Chairman: I call Deputy Devlin.

Deputy Matt Carthy: Can I get an answer to that?

Chairman: I will let the Deputy back in for the second round of questions. We clarified that there is no heavy rail project on the table.

Deputy Cormac Devlin: I welcome Mr. Spratt, Mr. Clonan and their colleagues. It is good to see them again and have them before the committee. I will stay with the issue of transport. It is important that we as a committee not only look back through the 2020 accounts but also that we look at what is being planned. My colleagues spoke about MetroLink, DART+, the DART underground and other projects. Mr. Spratt or Mr. Doocey might come back to me on this. I know that this pre-dates Mr. Spratt's term as Secretary General. Over the past ten years or more, what has been done to progress the issue? We initially had Metro North. Now it is MetroLink. The greater Dublin transport strategy was unveiled two days ago. There have been changes to what was envisaged five or ten years ago, or even longer. What has been the Department's involvement, putting aside what the NTA does in guiding the planning process, in making this a reality and seeing this vision of MetroLink come to fruition?

Mr. Ken Spratt: Mr. Doocey has been in the Department for longer than me. He is closer to the projects and would have a good sense of the history. With the Deputy's permission, I ask Mr. Doocey to answer the question.

Deputy Cormac Devlin: Absolutely.

Mr. Garret Doocey: I will address what has happened with metro proposals in Dublin since 2011. In 2011, the Government decided not to proceed with what was then Metro North. That was the end of that project. In 2015, an analysis was conducted. The Fingal/North Dublin Transport Study was published. It concluded that there is a need for a metro solution in the north Dublin and Fingal area. That analysis fed into the greater Dublin area transport strategy, which was published in 2016, which reiterated that there was a need for a metro. It also concluded that there was a need for a metro on the south side of the city along the Luas green line. That project became MetroLink. Since 2018, expenditure on that project has been classed as MetroLink. Since then, as the exchanges with Deputy McAuliffe earlier indicated, there was the emerging preferred route consultation. There was substantial public response to that, including from public representatives and local communities. There was a further public consultation on the preferred route and changes were made between those two consultation periods in response to the issues raised by public representatives and local communities.

Since the conclusion of the preferred route public consultation, that project has been brought forward for much more detailed planning, design and environmental preparation for the planning application. I apologise if the Deputy heard this earlier. The focus in the Department is to complete our review of the preliminary business case. That case was submitted to us this year

for the first time. We are awaiting a revised draft. We will then complete our review with the ambition to allow our Minister to bring it to Government as soon as possible. At a project level, various issues associated with the complex task of bringing a mammoth project such as this into the planning process are being completed. Government approval should be well in advance of the project entering the statutory planning system.

Deputy Cormac Devlin: I thank Mr. Doocey for that overview. He mentioned 2018 and costs associated with pre-planning and consultation. I accept what he is saying about it being a mammoth task. No one denies that. Does he have an indicative number for the cost of the revised plan? I know we have been here before to discuss the metro. How much has been spent to date?

Mr. Garret Doocey: Regarding expenditure to date, approximately €70 million has been spent from 2018 until the end of September or the start of October. I cannot recall the exact cut-off point. The overall project cost is under consideration as we await receipt of the revised preliminary business case. We will bring that matter to Government in the context of decision gate one. As we stated earlier, decision gate one is not approval to proceed but it is approval to go to the statutory planning system. The costs which we will use to benchmark the success of the project will be at decision gate three, when we come out of the planning system. We have absorbed any of the possible changes to the scope or route of the project that may come out of the planning process. We go back to the Government at that point and state what cost and delivery schedule against which we will benchmark the project, and the benefits which we intend to realise from the delivery of the project and against which the project should be measured.

Deputy Cormac Devlin: I thank Mr. Doocey. I have limited time. In a one-word answer, when does Mr. Doocey expect to have a decision about the preliminary business case that has been submitted to the Department?

Mr. Garret Doocey: It will not be before Cabinet before Christmas. It will be early in the new year.

Deputy Cormac Devlin: I thank Mr. Doocey. Before I ask questions of Mr. Clonan, since I have limited time, I have questions about the search and rescue service. Forgive me if this question was asked in my absence.

When reading the report of the Comptroller and Auditor General, I was struck by the fact that this dates back to 2013 and the 24 NVIS goggles that were purchased. That is expensive equipment and I heard the Secretary General say that we are the first in the world to use it in a private contract capacity. It has taken an extraordinary length of time to complete the training when one considers that one base has been trained since 2013. I do not know how that can be presented to the Committee of Public Accounts as good value for money when it clearly is not. The Comptroller and Auditor General has raised his concerns, and rightly so. Can we get a date for when all the SAR bases will be trained? Will that be done within the next 12 months?

Mr. Eugene Clonan: The training started in late 2018. The aircraft were modified in 2013 and these issues were put in on a phased basis. The aircraft were modified, the sets of NVIS equipment were purchased and the training commenced in late 2018. This is the first time a commercial operator in Ireland has gone for NVIS and the first time the regulator has regulated for same. When you are training crews for NVIS, you need darkness so summer is problematic. I would also not want the service to be shut down while the crews are training. This means that training is done parallel with the service continuing, and that adds another bit of time. CHC

started training its people in 2019, but it had problems with one of the instructors. They had started training in the simulator but Covid stopped all international travel, which also stopped the NVIS training simulators. We have been readjusting the programme since then. CHC has been working with the IAA to get regulatory approval for the training and the manuals. CHC is working closely with the IAA to get there, to the extent that-----

Deputy Cormac Devlin: Apologies for interrupting but-----

Mr. Eugene Clonan: If the Deputy is asking when-----

Deputy Cormac Devlin: Yes.

Mr. Eugene Clonan: Assuming we get all of the regulatory approvals from the IAA for SAR-NVIS, personnel in Shannon and Dublin should be trained up by May 2022 and those in Waterford should be trained up by December 2022. That is assuming we get all of the regulatory processes in place and CHC informs me that the approvals to commence training on SAR-NVIS will soon issue.

Deputy Cormac Devlin: On the regulatory requirement that Mr. Clonan mentioned, how come one party was already trained in the absence of that? Am I correct in stating that one base was trained up in 2018 or 2019? How come that training proceeded and the training for the others has not? Would Mr. Clonan accept that this has taken a very long time?

Mr. Eugene Clonan: Regrettably, the time has been far longer than originally anticipated but benefits are being realised. There is NVIS approval for commercial air transport. We provide operational assistance to the National Ambulance Service under commercial air transport and we do SAR under SAR rules. With commercial air transport there, the EASA sets out rules for NVIS and that is straightforward. CHC received approval for training from the IAA. As a result, the first base is up and running in Sligo. Personnel at the remaining bases are still in training. To get to the next step, which is SAR approval, CHC needs approval under manuals and training schedules. When it gets that approval the IAA will go out and inspect the bases, the flying that is conducted and the trainers. It is quite an involved process and this is the first time a commercial operator has applied for NVIS training in Ireland so it is difficult. The Deputy can rest assured that we are maintaining the pressure on CHC, that CHC and the IAA are working together and that we are moving in the right direction, to the extent that we hope to have the last base up and running for both commercial air transport and SAR-NVIS by December 2022, providing we get the approvals from the IAA.

Deputy Verona Murphy: I thank the witnesses for coming in. As they know, this is the Committee of Public Accounts. It is all about value for money for us. I want to point out to Mr. Spratt that I sat in on a meeting of the Committee on Transport and Communications for my colleague last week. Representatives from TII and the NTA were before the committee. I suggested to Nigel O'Neill of TII that there is an issue with toll barriers because we pay in excess of €600 million per year for exceeding nitrogen oxide, NOx, emissions above what is allowed under EU rules. I was astounded to hear Mr. O'Neill respond that the barriers at Dublin Port Tunnel are there for traffic management and control. I advised him that I have been all over Europe and many parts of the world and that I have never seen a toll barrier used to control traffic in a tunnel. I ask that this be revised. I am sure Mr. O'Neill has gone back and had a conversation about it. I calculate that it is costing the transport industry €92 million per year for toll barriers in this country. That is what it is costing to stop and expend a litre of fuel and that is just in money. I do not have the measure of what it is costing in lung health and health

issues that NOx emissions contribute to but I am sure the Environmental Protection Agency, EPA, does. I would like the Department to come back to the committee and let us know what it is going to do about the situation and what actions it will take because the EPA has provided a report which states that we are exceeding our NOx emissions and that those emissions are primarily caused by transport. That is primarily what we are being fined for and these are the targets we are setting. I am not aware of anything the Department has provided to the sector as an incentive to be cleaner and greener. I ask the Department to submit that information.

Peter Walsh from TII also appeared before the Committee on Transport and Communications. There is a major issue at Rosslare Europort. Mr. Spratt will be aware that there has been a 400% increase in traffic there because of Brexit. The Government has spent €11 million, through the Office of Public Works, OPW, providing a state-of-the-art facility for our regulatory agencies, facilities that one could only have dreamed of years ago. I am not sure what the acreage is but it is substantial. It is empty all of the time while our hauliers have drivers *in situ* in lay-bys trying to comply with tachograph rules and trying to find somewhere to park if the ship is late, which happens with the weather at this time of year. The biggest sufferance is for the residents. They have refrigerated vehicles running outside their doors because these trucks have nowhere to park. We have spent €11 million on a yard that is at least 85% empty. I propose that it needs to be adapted to accommodate the traffic which the NTA and TII are responsible for accommodating.

Nothing has been done. I invited Mr. Walsh to come Rosslare to meet the local county councillors and gardaí and put a traffic management plan in place. There is a serious road safety issue. We should not waste the taxpayers money; rather, we should utilise it to the best of our ability. There is no need for more facilities. At most we might need to erect a fence but I do not even see the need for that. We have customs agents in control in the facility itself. The facilities are there for the drivers when they have to go through the regulation process, including toilet facilities. We need to start to think with the taxpayer in mind and I ask that Mr. Spratt would take charge of that because Mr. Walsh was not forthcoming about travelling down to meet the elected representatives in Rosslare, myself included, who are tasked with looking after the area. I have written to both last week and I will send on the correspondence.

The other point I would like to mention is that the funding granted for regional airports was €90 million. What funding is available to Waterford Airport and the south east from that funding?

Waterford Airport is also home to the Coast Guard Sikorsky rescue helicopter R117. Given the increase in traffic at Rosslare Europort, it now takes on a whole new level of importance given that it is based in that area and in light of the amount of time a helicopter might need to travel as a result of the increased capacity of direct routes from Rosslare to France. Mr. Clonan, in particular, might let me know if he agrees with that. There must be a special place for this service now in Waterford Airport. I visited there during the recess and I am very concerned on two levels. The helicopter is housed at the behest of Waterford Regional Airport. The Coast Guard is basically renting a hangar to house the helicopter. I accept An Bord Pleanála has not decided on the application. Funding was committed by the Department for an extension of the runway, but if the airport is closed, will the commitment still hold? How much is the funding? Could the witnesses assure the people in the south-east region, and those who traverse the high seas, that there will be no interference or diminution of the Coast Guard service in the south-east region at Waterford Airport? I would welcome a response to that question.

Mr. Ken Spratt: I thank the Deputy and note her comments on Rosslare. I will engage with

the OPW and Peter Walsh on that and I will come back to her. It would be helpful if she could send me a copy of the letter.

I will ask Mr. Towey and Mr. Clonan to come in, but before I do, the funding that was provided to Waterford Airport during 2020 was quite limited. It was current funding only of €375,000. If Mr. Towey does not mind, he might come in on the other questions about the runway and after that, Mr. Clonan might address the questions on the Coast Guard. With your permission, Chair, I will ask Mr. Towey to take the question on the runway.

Deputy Verona Murphy: That is fine. Is the current funding provided on an annual basis? If the planning is granted for the runway extension and the airport is closed, what supports would be put in place to ensure the Coast Guard service is maintained?

Mr. Ken Spratt: The €375,000 that I mentioned is the current outturn for 2020. I might just ask Mr. Clonan to take the question on the Coast Guard if that is okay.

Deputy Verona Murphy: I thank Mr. Spratt.

Mr. Fintan Towey: Perhaps it is best if I try to clarify the position on Waterford Airport. First, the regional airports programme is directed at supporting regional airports that provide international connectivity by air. In the case of Waterford, there have been no scheduled services operating at the airport since 2016 when the last service ceased. On that basis, Waterford is not eligible for funding under the regional airports programme. It has no expectation that funding would be awarded to it under that programme.

Deputy Verona Murphy: During the period of Shane Ross's time as Minister, there was a commitment of €15 million to Waterford Airport. Is that still in existence?

Mr. Fintan Towey: I would like to clarify that.

Deputy Verona Murphy: Could Mr. Towey just say "Yes" or "No", as I am afraid we do not have time? He could write to me.

Mr. Fintan Towey: The commitment that was made related to the renewal of the runway and it was conditional on certain things, including the runway being completed in 2020. That has not happened, and it has been clarified to Waterford Airport that any proposal to extend the runway or any request for Exchequer assistance would have to be reassessed in accordance with-----

Deputy Verona Murphy: Therein lies the problem. This is a serious issue. I say to the Secretary General that this is a problem that is affecting the entire country. By the time planning is granted by An Bord Pleanála - it is probably the second application in this case - Mr. Spratt as Secretary General is going to fuff around and decide whether to give the funding, to the point where we have to go back and look for planning again. This is insane. This happened on the N11 where we spent more than €2 million on planning for the 33 km that is left to be made a motorway. This cycle must be broken. A decision must be made on how we are accountable for taxpayers' money. On top of that, I am being told that an airport of regional importance that houses the Coast Guard is not viable for the south-east region of more than 600,000 people. If it is different, I hope Mr. Spratt will write to me and tell me that is the case. The population is now on the rise due to the increase in traffic at Rosslare Europort. Is that what I am hearing?

Mr. Fintan Towey: I am not sure exactly what the question is, but the commitment the

Government made on the runway was in response to the airport's proposal. The airport made a proposal that it would extend the runway at a cost of €12 million, with funding of €7 million, substantially provided by the private sector and partly by the local authorities. The Government responded to that with a commitment that, subject to the conditions that the airport had set out, it would support the project to the extent of €5 million. The conditions relating to the approval have not been met. I understand that there is a continuing planning application, but since the commitment was given, the public spending code has been modified and the position on the outlook for the restoration of air services in the south east has changed significantly because of the Covid pandemic. In light of those-----

Deputy Verona Murphy: It is basically because of the lack of Government investment in the region.

Mr. Fintan Towey: I will clarify the position on Waterford Airport.

Deputy Imelda Munster: I apologise for coming in late as I had Question Time with the Minister earlier. I wish to raise funding for the northern cross route to provide port access in Drogheda. This has been part of a plan since 2006. It was included in the northern environs plan, which was a plan to build 7,200 homes in Drogheda. An integral part of the plan was the port access northern cross route to make the plan sustainable. It was recently refused funding under the urban regeneration and development fund. Initially, the local authorities had been guided towards that fund and told to apply under that particular strand of funding, but it scored poorly. They were then told that it was not the right type of funding after all. The process has been going on since 2006. It has the potential to open up space for thousands of houses on the north side of Drogheda. The project has been going on for 15 years. In light of the urgent need for housing, and given that Drogheda is completely gridlocked, when considering the strategic importance of the project, would the Department consider the fact that it would open up a huge volume of housing and would that ensure it was considered a priority?

Mr. Ken Spratt: Health, housing and climate change have been defined as the three most important priorities for the Government. Needless to say, housing is a Government priority and everything that we do has housing in mind. It is also important to mention that we have the national planning framework and it sets out the national strategic outcomes that we want to achieve. Compact growth is one that is important. Enhanced regional accessibility is also important. Strengthened rural economies and communities are important. Also, sustainable mobility is highlighted as a national strategic outcome, which is extremely important. The unlocking of land is something we definitely want to do. However, the preference we have in view of our climate commitments is that we would unlock as much land as possible using transport-led development. In other words, sustainable mobility projects rather than roads. Given the housing crisis, it is important that we unlock land, not only with sustainable mobility projects but around where there are existing transport routes. There is a strong focus on unlocking as much land as possible. That applies throughout the country. It is an extremely important objective with which we are grappling along with the health and climate changes crises.

Deputy Imelda Munster: Given that it is an important objective with which the Department is grappling, I liaised with the county manager. She said that staff were in discussions with the Department again but that there was no current programme under which it could apply for funding. Is that correct?

Mr. Ken Spratt: Regarding roads funding specifically, we have processes in terms of new roads whereby TII comes up with its proposals based on the funding it has available. We con-

sider those and engage with TII on those but, ultimately, given all the priorities, it is a matter for TII to come up with its budget allocations for specific projects on an annual basis. While we would have considerable engagement with TII on new road projects and we would feed into the mix concerns on the part of local authorities and objectives they want to meet, based on the funding we have available, there is a prioritisation process that has to be gone through.

Deputy Imelda Munster: Mr. Spratt said there is a prioritisation process. Housing is deemed one of the three strategic priorities. This project would allow for the provision of more than 7,000 houses. They would accommodate a population of 20,000 in the north Drogheda area, which would be almost a second town, and some of those houses have already been built. Mr. Spratt can imagine the gridlock in Drogheda currently without the addition of those new houses. On foot of what the county manager said about there being no current programmes for funding, is Mr. Spratt saying that is correct, namely, there is no current programme for which an application such as one this could apply?

Mr. Ken Spratt: We go through a very complex process with TII on the prioritisation of new roads. I will ask Mr. Mullaney, who is closer to the local authorities on this, to respond to that question?

Mr. Dominic Mullaney: Regarding this particular route, the council may be proposing a road which is to be a regional road. The council could submit an application under our strategic grant scheme. We have had discussions with it and indicated the first thing it needs to do is to submit a strategic assessment report, essentially, setting out the purpose of the road, namely, if it is to serve the port or assist with the provision of housing, or both, setting out the objectives and so on. That is the first stage. We have not received anything on that to date. In terms of whether it would get funded, that would depend on what we get. I understand in this case there is possibly opportunities for funding the housing element from other sources.

Deputy Imelda Munster: What are those other sources? The council has already been refused funding under the urban regeneration fund.

Mr. Dominic Mullaney: It may have been in contact with an organisation, the name of which does not come to mind, but I know the person involved in Cork. It involves a process whereby it makes loans available or sometimes it is more than loans. It is an arrangement which allows housing to be kick-started. I can forward the details on that to the Deputy. I do not have them to hand.

Deputy Imelda Munster: I am not sure if it was Mr. Mullaney the council liaised with. If it was, did he advise it of that possible strand of funding?

Mr. Dominic Mullaney: Not at that time because it was prior to that, but I think it has been in touch with this agency since then. That is my understanding.

Deputy Imelda Munster: Okay. The situation is very frustrating. This road has been needed for 15 years. The need for it is crystal clear. The housing issue is a strategic objective to try to solve but the utter gridlock in Drogheda stops businesses setting up and it puts people off coming into town. The gridlock is a nightmare and has been for years. In what timeframe does the Department envisage the project being completed? Given that there is no definitive funding and Mr. Mullaney has advised the council of the strategic grant scheme, is there is a limit on funding for that project?

Mr. Dominic Mullaney: Obviously, we have to work within our budgets and only ap-

proximately 10% of the regional and local road moneys would go towards new works. If we have of the order of €600 million for roads next year, 10% of that would be €60 million. That is the overall cap we would be working within and we have a number of current projects such as Moyross in Limerick and Athy in Kildare, for which the contract has been signed. Even if there was money available for this project in the morning, there is considerable planning and works to be done before getting it on the ground. The first thing we need is a proposal. We need to know how long it is, where it would go, what the cost would be and so on. We have not received anything yet.

Deputy Imelda Munster: Okay. Aside from that, there is an additional option if this is going take years to deliver, and Mr. Mullaney has not given me much hope to the contrary, but it must be pursued and delivered. The county manager ruled out a loan from the European Investment Bank to fund the project. She had suggested making use of the Connecting Europe Facility. Would the Department support and walk with Louth County Council to secure funding through that source?

Mr. Ken Spratt: I must highlight we have internal processes to compare and contrast all projects that come to us to ensure we maximise value for money, whether it be a public transport project, a greenway, an active travel project or a road. We take account of the programme for Government, the national planning framework and the money we have under the national development plan. We also have to examine our investment priorities. We have priorities around protection and renewal with respect to the movement of people and goods in urban areas, which is the type of project the Deputy mentioned, the movement of people in regional and rural areas and regional access. Once we examine the priorities, which involves comparing and contrasting the projects, we examine the mode we would use, for example, could we provide access through active travel, via public transport, or is it the case we need to build a road for private car use only. We then examine the investment hierarchies, in other words, should we maintain what we have and improve and optimise the road we have - by that I mean having more intelligent transport services and demand management – or should we build a new road.

I apologise for being so long-winded on this but it is important for the committee to understand when we are being pressed on why projects are not being delivered we have to examine them all and compare and contrast them equally before decisions are made. The fact that we do not have a firm proposal on this means we have not put through that transport investment strategic view. Obviously, we are prepared to consider any proposals for investment in transport infrastructure and put them through the wringer to make sure they represent value for money. If it went through all that and was something that made sense, was good value for money and ticked all those boxes in terms of the priorities, we would support it.

Deputy Matt Carthy: To return to the discussion of rail, Mr. Spratt indicated there seems to be quite a bit of emphasis on the strategic rail review. Will he detail as briefly as he can the format that review will take? Who is going to conduct it, what timeframe will they be operating under and what budget have they been allocated?

Mr. Ken Spratt: The expert we have with us is Mr. Doocey, so I might ask him to take that question, with the Deputy's permission.

Mr. Garret Doocey: The process is that we awarded and signed a contract at the end of August or the start of September - I cannot quite remember - with Arup, which is the lead consultant on it. It has freight specialists working on it as well because, obviously, a focus of the study is the potential for freight. The study has kicked off. We have had the initial meetings

and we are currently having weekly meetings. There will be a public consultation launch with regard to the strategic rail review in the near future, that is, the next couple of weeks. That will extend into the new year and provide an opportunity for all public representatives or local communities across the island to make known their views on the future potential of rail.

As for the scope of the strategic rail review, it is looking at inter-urban and inter-regional rail. It is not looking at commuter rail in the five metropolitan cities in the State or commuter rail in Belfast, for example. It is focused on inter-urban and inter-regional, as well as the potential for freight. We expect it to be completed by quarter 4 of next year. The budget for the review indicated in the request for tender was for a maximum of €1 million and it has come in slightly under that.

Deputy Matt Carthy: As for what the consultants will be looking at, is everything on the table in regard to new routes? Will they assess and catalogue, perhaps, railway lines that have closed and what proportion of those lines are redeemable? Will they analyse, for example, those counties that have no rail lines? There are five such counties, as I understand it, namely, Cavan, Monaghan, Fermanagh, Tyrone and Donegal. Clearly, there is a big gap in the north west and regarding access to the north west via the southern Ulster region. Will that be included within the scope?

Mr. Garret Doocey: The short answer is “Yes”. The review is looking at the potential for higher speed rail on the main inter-urban network between the seven cities on the island, and enhanced regional accessibility in terms of inter-regional and intra-regional rail. In both those contexts, it is looking at the potential for using existing alignments, potentially at currently disused alignments, or even at new alignments that might come to fruition in the review work itself. Everything is on the table in that context and nothing is ruled out. I should have referred also to the importance of accessibility to the north west, which the Deputy mentioned. It was a feature of the terms of reference that increased accessibility to the north west would be a strong focus of the study. That was made clear in the terms of reference and we have made it clear in co-operation with our colleagues in the Department for Infrastructure in Belfast with the successful tenderers.

Deputy Matt Carthy: I am trying to get a sense of what that report at the end of 2022 will look like. Will there be a set of recommendations? Will there be a cost-benefit analysis? Will it outline the merits and challenges or disadvantages of new lines? I have a particular interest in that issue. Dealing specifically with the north west, what will the report look like?

Mr. Garret Doocey: We envisage it will provide the strategic backdrop or the strategic investment framework for inter-urban and inter-regional rail on the island for the next few decades. The intention of the study is to set out where the potential for rail is greatest on the island and the options for realising that potential.

Deputy Catherine Murphy: The air accident investigation unit’s report did not set out to apportion liability and rightly so, given it was about the prevention of accidents. Are there insurance implications for the awarding of the SAR contract? Has that been considered? In the context of an outsourced service, where does liability lie and has the Department taken advice on that?

The Department has responsibility for collecting motor tax but it goes to the Exchequer. How is it rerouted to the Department, if at all?

The witnesses stated MetroLink is not included in 2030 targets. Will they provide us with a list of what increased and improved non-bus public transport will be provided in the context of our 2030 targets and break that down between the first and second climate budgets that have been outlined to 2030?

Mr. Ken Spratt: I might take those questions in reverse, if that is okay. We will come back to the committee in writing on the 2030 targets. We have our existing public transport services and we will have additional public transport services in place by 2030, such as BusConnects and DART+, not just in Dublin but in other areas including rural areas, where an expanded rural public service will be available through our Connecting Ireland ambitions. We will come back to the committee with some detail on that. One of the Deputy's colleagues requested something similar earlier. We will come back with as much granular detail as we can on those requests.

All motor tax goes into the Exchequer and the short answer is it is not rerouted to the Department.

As regards the insurance implications of search and rescue, the outsourced service and the liability for the Department, as I understand it, we procure a service, and once that service is provided to us by a third party, the matter of insurance is a matter for that third party.

Deputy Catherine Murphy: Is there any contingent liability in the Department in respect of this outsourced service?

Mr. Ken Spratt: Will the Deputy clarify what she means by contingent liability?

Deputy Catherine Murphy: Is the liability exclusively the contractor's as opposed to the State's? There are other elements such as the Irish Aviation Authority and the Department in terms of regulation. Is there an expectation, or has advice been sought, in regard to insurance liability in the context, for example, of the terribly tragic accident and the loss of lives in the helicopter accident off Blacksod Bay?

Mr. Ken Spratt: Given that we are on the subject, I offer my deepest sympathies to the families of Captain Dara Fitzpatrick, Captain Mark Duffy, Mr. Paul Ormsby and Mr. Ciaran Smith. As I understand it, once we go out through a procurement process to procure a service, matters relating to being sued or liability are matters for the service provider that is bidding into the system. Having been involved in several procurement processes, I have found that tends to be the case.

Deputy Paul McAuliffe: I will return to the issue of night-vision technology in a moment. In correspondence Mr. Spratt has outlined that regarding driving tests and the last appearance before this committee in May, there is a proposed new driving test centre for the Finglas area. Could he outline that good news to me in very short period of time?

Mr. Ken Spratt: I am afraid I do not have it to hand but with the Deputy's permission we will see what we have on it and send it over to him.

Deputy Paul McAuliffe: I would very much appreciate it being sent over in writing.

I will return to the issue of the night vision technology. Nobody reading chapter 5 of the Comptroller and Auditor General's report will be able to put the crew of R116 out of their mind. When you read the timeline, there was a report in March 2010 outlining the Coast Guard SAR service should have night vision technology. The tender went out in 2012 and did not have

night vision technology. The State then has to pay for the provision of night vision on what is essentially a private contract with a private operator. That has a cost to the State. That becomes available in 2015 but training does not become available until 2019 and the request for training does not go out until 2017. Why was the State paying for this service when it was tendering it out? Reflecting on the lack of availability and the fact both captains mentioned the poor night vision capability, has the Department reflected on that? Does it believe the tragic accident would have taken place had that night vision technology been available?

Mr. Ken Spratt: I should say night visioning information systems are not widely used in civil search and rescue. It is not something we sought to procure at the time. Therefore, the service that was being provided to us is the service we sought to procure at the time. Yes, technologies have moved on and yes, it is something we would like to be a part of our search and rescue service. Something that is really important is that the Air Accident Investigation Unit report runs to 350 pages, excluding appendices. It is wide-ranging in scope, with findings and safety recommendations that cover all aspects of search and rescue aviation, both nationally and internationally. It set out factual information on the flight. It set out analysis of that information. It forms conclusions and findings, including probable cause and contributory causes. Subsequent to the conclusions, there are a number of safety recommendations. It is really important for me to highlight that all the recommendations for us, that is, for the Minister and the Department, have been acted on. The recommendations for the Department are all being acted on, as I said. There is no reference or recommendation in the Air Accident Investigation Unit report to night visioning technology or night visioning information services. With respect, given the circumstances and given the sensitivity of what happened, it just would not be appropriate for me to speculate on what is essentially a hypothetical scenario so I do not propose to comment on it.

Deputy Paul McAuliffe: I accept there was a wide and detailed report and Mr. Spratt is correct that it does not specifically make a recommendation in that regard. When we reflect on the 2010 report that recommended night vision technology should be part of it, how do we ensure in future that technology is available to the people who are operating it? From the other perspective, and I appreciate we are under time pressure-----

Chairman: The Deputy should be very brief.

Deputy Paul McAuliffe: -----from the procurement perspective, how do we ensure it is part of the tender rather than the State paying for what is an additional service to the existing tender. I have run out of time but I appreciate the sensitivities of it. In no way was I attempting to assign blame to the Department.

Chairman: I call Deputy Devlin.

Deputy Cormac Devlin: I thank the Chairman for allowing me in a second time. I wish to focus in on the Coast Guard with Mr. Clonan. I note from the Comptroller and Auditor General's report that 18, I think, vehicles were purchased. There were issues with procurement but I have heard what the Secretary General has said in that regard on reform around procurement, which is welcome. An issue I raised last May, of which Mr. Clonan might be aware, was one brought to my attention by members and volunteers from the Coast Guard about the use of the vehicles. He gave me a response at the time saying there are rules around the use of those vehicles. However, what I was saying at the time was that if members were allowed bring them to their homes it could increase response times. The reports I had at the time were members were leaving their home, going to the base, collecting the vehicle and then going to the scene. Mr. Clonan said correctly that not all members had to go to base. They could leave the vehicles at

home. Has there been any progress on that? Given my limited time, he might send a note on that if he cannot come back to me immediately after this.

My second question is for Mr. Spratt and concerns an area of great interest to me, namely, planning for major incidents, be they regional or national and relating to rail, road, sea or air. How frequently are the emergency services and other agencies engaged in training in these areas? I mention also co-ordination between local authorities. I am aware of one local authority where its disaster communications centre needs to be relocated from its main building. The officials cannot hypothesise about various incidents but given the potential scale of one of these incidents, how prepared are we as a State to deal with such incidents? I do not mind whether Mr. Clonan or Mr. Spratt come in first.

Mr. Ken Spratt: I thank the Deputy for his question. I ask the director of the Coast Guard to address both questions. I know from my engagements with the director and our other emergency planning colleagues here in the Department that we have a very good approach to this and very good processes to ensure we are as prepared as we can possibly be. To give a little bit of the detail, I ask the director of the Coast Guard to take that. Mr. Clonan might even give an example of recent scenario planning and preparations that have been gone through.

Chairman: I ask Mr. Clonan to be brief because we are under a time limit, unfortunately.

Mr. Eugene Clonan: Have I enough time?

Chairman: Yes. Go ahead but just keep it concise.

Mr. Eugene Clonan: Yes, concise. We are responsible for delivering a world-class search and rescue, ship casualty and pollution-response regime. For search and rescue we carry out regular exercises like mass rescue from ships and that type of thing. We carried out an exercise in the Irish Sea this spring and also down in County Kerry this autumn. We worked with the other principal response agencies, PRAs, that is, the HSE, local authorities, An Garda Síochána and the National Ambulance Service so that exercise programme is in place. On maritime casualties, ships breaking down and threatening pollution and pollution response, we have a new national contingency plan for that and we exercise that regularly with the PRAs. I have been very concise. Is that okay?

Chairman: I thank Mr. Clonan.

Deputy Cormac Devlin: Mr. Clonan might send me a note on the use of the vehicles and maybe a breakdown of how frequent is “frequent” because I would like to know those exercises are being done being done biannually or whatever. They are really important.

Mr. Eugene Clonan: It is twice per year, plus we work with the UK Coast Guard and when it is having exercises in the Irish Sea we do international exercise.

Deputy Cormac Devlin: Very good. I thank Mr. Clonan.

Chairman: I call Deputy Munster and ask her to stick to the time.

Deputy Imelda Munster: I thank the Chair. I have three hopefully very short questions. On the strategic grant scheme, I do not think I got an answer on whether there is a maximum grant under that scheme and if so, what is the maximum grant paid?

On the half-price public transport, I do not know if this was discussed before I came in but

where is that at the moment? Can the Department officials confirm whether the policy extends to non-PSO operators as well?

With all the news lately about projects being cancelled, is the DART extension to Drogheda still on target or on track, pardon the pun? What is the date for delivery of that?

Mr. Ken Spratt: I will take those questions in reverse order. It is just not true that projects have been cancelled. We are going through what we need to go through in accordance with the public spending code on all of the major projects. We have a lot of work done on Metrolink, BusConnects and DART+. There are five sub-projects under DART+ including the part mentioned by the Deputy. It is not that projects have been cancelled. We just have to go through the public spending code in accordance with rules with which we must comply.

In terms of the new PSO, our intention is that the half-price fare or the youth card to which the Deputy refers will be available. Unfortunately, due to technical issues it will not be available until the middle of next year but the intention is that it will also be available for use on services provided by private commercial bus operators as well.

I am not quite sure what strategic grant scheme the Deputy was referring to in her first question and ask her to clarify that.

Deputy Imelda Munster: Mr. Spratt's colleague, Mr. Mullaney, said that Louth County Council had been told that a scheme was available and it could apply. Given the cost of the infrastructure involved, what is the maximum grant? The council does not want to go down a road that will have bad news at the end of it. Is it realistic for the council to apply under that scheme, as Mr Mullaney said? Will it qualify under that scheme and what is the maximum grant that can be allocated under that particular scheme?

Mr. Ken Spratt: I will ask Mr. Mullaney to reply to that question.

Mr. Dominic Mullaney: The short answer is that there is no maximum grant but obviously, the more expensive the project, the more hoops it has to go through. If, for example, it costs more than €100 million, it would have to go to the Government for approval. The more expensive a project, the more stringent the processes become. The agency I mentioned earlier was the Housing Infrastructure Services Company, HISCo. It may be interested in funding and assisting with the housing element. Obviously, if we got a strategic grant application it would be more realistic if we were part-funding what was relevant to us since there are other specific players in the field in terms of assisting on the housing side.

Chairman: Deputy O' Connor is next.

Deputy James O'Connor: The point I want to raise was referred to earlier by one of my colleagues in the context of the N73. On a national level, I have a very significant problem with TII's annual allocations. In terms of grant allocations for 2021 for national road budgets, page three of the documentation indicates that €484,256,450 is the gross allocation for national road maintenance. The document provides an individual breakdown for projects that will be receiving funding which is excellent in that it enables public representatives to explain to their constituents what is happening in their constituencies. One of these projects, the N73, happens to fall into my constituency in Cork East and I raised it with Mr. Walsh of the TII at a meeting of the Joint Oireachtas Committee on Transport and Communications last week. I have a very significant problem. A sum of €86.99 million was allocated to Cork County Council, of which €1.5 million was allocated in the 2021 budget to progress upgrade works on the N73

near Kildorrery between Mallow and Mitchelstown but when we hit September, the funding disappeared. I want to know where it is gone and I want to know why the €1.5 million is not available. These are questions I asked last week but having looked back at the clip, I did not really get the certainty I want. Perhaps the witnesses could correspond with me on this after the meeting but if they can answer me now, all the better. I want to know why the €1.5 million of the annual funding for Cork County Council of €86.99 million for national road maintenance in 2021 is not available. Why was Cork County Council told it cannot progress after TII, as the agency under the remit of the Department of Transport, told it to advance the process as far as tendering?

This is completely unacceptable. We cannot have State agencies providing funding budgets and then not carrying out the work. It does not give us clarity and makes us, as elected representatives irrespective of party, particularly those of us who are in government, look bad. I do not blame people for giving out. This is something that needs to be fine tuned. I am aware that the funding has been allocated for next year but it still must be approved by the board of TII, which is expected to happen in the second week of December. Before that happens, I want the Secretary General and the relevant official in his Department, whether that be a principal officer or an assistant secretary in charge of roads funding, to have a word with TII about this because it is completely unacceptable. This has to be fine tuned. We cannot have a situation where we are telling local authorities to advance national road plans and then not funding them at the final minute. That is what happened to Cork County Council. That is what happened in north Cork and in my own constituency of Cork East. I ask the witnesses to reply.

Mr. Ken Spratt: I do not have the specifics on it and given the importance of the matter to the Deputy, I need to be absolutely on the button with the reply I give. With the Deputy's permission, I will revert to him in writing on that and outline the exact position. Perhaps Mr. Mullaney has some insights which I do not have but it is such an important issue for the Deputy that I want to make sure I am absolutely right in my response. Does Mr Mullaney have anything to add?

Mr. Dominic Mullaney: The only brief comment I would make is that if it was money that was allocated at the start of the year and it disappeared before the end, one possibility is that there was agreement between the council and TII-----

Deputy James O'Connor: There was not in this case-----

Mr. Dominic Mullaney: -----that as it was not possible to spend it in the year, it would be reallocated elsewhere in the interests of spending all of the money. That is just one possible explanation but we would need to double check with TII.

Deputy James O'Connor: My time is up but I assure the witnesses that I will be watching this like a hawk in December and will raise it again if it is not addressed.

Chairman: I have a couple of questions for the Secretary General, the first of which relates to public private partnerships. The table I was quoting from came from the TII annual report and financial statement for 2020, on page 104. I ask the witnesses to confirm that the public private partnerships operation charges totalled €148 million for 2020. If so, that appears to be an increase of €75 million on 2019. I ask the witnesses to confirm that for me.

Mr. Ken Spratt: I do not have the report in front of me so I am afraid I cannot in all certainty confirm that but with the Chairman's permission, I will revert to him in writing on it. I

have no reason to doubt it but I just want to make sure I understand the context and can come back to the Chairman with additional information, if needs be, rather than mislead him.

Chairman: Okay. I also ask the Secretary General to clarify that in 2020 there was an increase of €47.1 million on the 2019 figure which was not related to traffic volumes. I ask them to clarify this because it is not 100% clear from the annual report that the cost borne by the State was due to the fact that there was a decrease in traffic volumes on certain toll roads. Perhaps Mr. Mullaney can confirm it now.

Mr. Dominic Mullaney: I do not think one could account for that amount of money in terms of traffic volumes. The amount involved would be much smaller so it is best if we come back to the Chairman on that.

Chairman: I ask the witnesses to confirm that and also the overall figure of €148 million for last year, as opposed to €73 million for 2019. I also ask the witnesses to confirm that the NTA purchases buses where private operators are operating on approved routes. Is that correct?

Mr. Garret Doocey: In regard to publicly subvented routes under the PSO programme, the NTA purchases the buses and the operators operate those buses, whether that is one of the State-owned operators or it is a competitively tendered bid. They can sometimes be awarded to State-owned operators or other operators such as Go-Ahead, which has a contract in Dublin. Those buses under the PSO programme are bought by the NTA.

Chairman: Do the operators of the buses get an annual subsidy through the PSO to operate on those routes?

Mr. Garret Doocey: We might come back to the committee on the detail between gross-cost and net-cost contracts because there has been a switchover. Rather than speaking to it now, I will get a short note on the exact contractual situation.

Chairman: It is a very easy question. Is Mr. Doocey not able to confirm whether, on the publicly subvented routes, where the buses are bought by the taxpayer, those operators receive an annual subsidy by way of the PSO?

Mr. Garret Doocey: I apologise but I did not understand the Chairman's initial question. PSO services receive a PSO subsidy. My comment about the gross-cost versus net-cost contracts related to a change there has been in contractual arrangements. All PSO services receive a PSO subsidy.

Chairman: The buses are bought by the taxpayer and the operators receive a PSO levy, again via the public purse. How many buses have been bought by this method for private operators?

Mr. Garret Doocey: We will have to come back to the committee with the exact specifics of the private operators that operate publicly subvented routes, that is, the number of buses purchased that are operated by privately owned but publicly subvented operators.

Chairman: Are we talking about, for example, more than 50 or 100?

Mr. Garret Doocey: I cannot say off the top of my head. I just do not have the numbers in front of me. I will get back to the committee on it.

Chairman: What happens to the buses if the operator goes out of business, loses the con-

tract, goes bankrupt or whatever?

Mr. Garret Doocey: The NTA owns the buses.

Chairman: The bus is returned to the NTA, therefore, in those circumstances.

Mr. Garret Doocey: Yes, in those unlikely circumstances.

Chairman: Will Mr. Doocey revert to the committee with details of the names and number of operators that have had buses bought for them and operate on these routes? He might include details of the annual subsidies they received for both 2019 and 2020. The figure I have for the spend in 2019, although I am open to correction on this, was €75 million for the purchase of buses. Some of them may have gone to Dublin Bus or Bus Éireann, which are semi-State companies. The figure for 2020 was €65 million. Can the witnesses confirm those figures?

Mr. Garret Doocey: Those bus fleet purchase figures seem correct but, again, I do not have the details to hand. They certainly sound familiar but we can confirm that for the committee. The Chairman is right in that the vast bulk of buses and routes are operated by State-owned operators.

Chairman: To confirm, in the case of these private operators, the bus is bought for them, they get a PSO levy for operating on the route and they collect bus fares from people hopping onto the bus. When Mr. Doocey reverts with the answer, he might separate out the figures for the semi-State companies such as Bus Éireann and Dublin Bus.

Turning to the proposed N80 bypass in Mountmellick, there was much talk earlier of the importance of Rosslare Europort and the volume of traffic having increased fourfold. Much of that traffic comes down the N80 from the west through Mountmellick. In fact, it passes within 150 yd of my house, along a new road, and that is welcome. The town of Mountmellick was promised that a bypass inner relief road would be built in 2004 or 2005. The proposals that were put forward would have meant it cutting through the car park of a business and community facilities and it was rejected because of that. A feasibility study has been conducted by the county council in conjunction with the Department, which cost in the region of €100,000, and it has set out a route for the bypass.

Will the Department revert to the committee on efforts to advance that project? It is of strategic importance. There is a T-junction in the centre of the town and articulated trucks have to cross to the far side of the road to get around it. It is dangerous and it chokes up the town centre. It would shorten journeys if the inner relief road were built, although it would involve a crossing of the River Owenass. I have not seen any progress in recent years but the feasibility study has been completed. It is not mentioned in the national development plan or any funding stream. Will the Department revert to me on whether there are plans to advance it over the next three or four years?

I thank the witnesses for joining us and the staff at the Department and the Irish Coast Guard for their work in preparing for the meeting. I thank also the Comptroller and Auditor General, Mr. McCarthy, and his staff for attending and assisting the meeting. Is it agreed the clerk to the committee will seek any follow-up information and carry out any actions arising from the meeting? Agreed. Is it also agreed we will note and publish the opening statements and any briefing notes provided for the meeting? Agreed.

We will suspend the meeting until 1.30 p.m., when we will resume in public session to con-

sider correspondence and any other business.

The witnesses withdrew.

Sitting suspended at 12.36 p.m. and resumed at 1.34 p.m.

Business of Committee

Chairman: The agenda for this section of the meeting is as follows: minutes of our previous meeting, accounts and financial statements, correspondence, work programme, and any other business. We will then go into private session to consider a draft report from the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach on the process and procedures for the determination and review of senior executives' remuneration in the public service. In accordance with the agreement between the aforementioned joint committee and this committee, we have the opportunity to forward our views on the draft report to the joint committee.

The first item of business is the minutes of our meeting on 4 November. Do members wish to raise any issue? No. Are the minutes agreed? Agreed. As usual, the minutes will be published on the committee's web page.

The second item is the accounts and financial statements. Members should note that seven sets of financial statements and accounts were laid before the Dáil between 1 November and 5 November 2021. I will ask the Comptroller and Auditor General to address these before inviting members to comment.

Mr. Seamus McCarthy: Of the financial statements that have been presented and that are now publicly available in the Oireachtas Library, the first relates to the Health and Social Care Professionals Council. The statements are from 2020 and received a qualified audit opinion. Like a number of health sector bodies, the accounts give a true and fair view except that they account for the costs of retirement benefit entitlements of staff only as they become payable. This is as a result of a direction of the Minister that they account in that way. Otherwise, as I said, the accounts give a true and fair view.

The second set of statements are from the Technological University of Dublin, TU Dublin, for 2019-2020. These received a clear audit opinion but I draw attention to non-compliance with procurement rules. My recollection is that there was expenditure of approximately €1.7 million with 19 suppliers that did not conform to the appropriate procurement procedure.

The third set of financial statements and accounts are from the Private Security Authority, PSA, for 2020 which received a clear audit opinion. The fourth set are from Bord Bia for 2020 and also received a clear audit opinion. Number five on the list is the Commission for Regulation of Utilities, CRU. These are actually the 2019 financial statements and members may recall that last week the 2020 accounts were presented. There was a problem with the version and I could not submit the accounts for 2019. They have been relaid and, just for the record, they received a clear audit opinion. Number six on the list is the Aquaculture Licences Appeals Board for 2020 and its accounts also received a clear audit opinion. Finally, the 2020 accounts from the Marine Institute also received a clear audit opinion.

Chairman: Do any members wish to comment on any of those financial statements? No. The accounts and statements are noted and agreed. As usual, the list of accounts and financial

statements submitted will be published as part of our minutes.

The next item on our agenda is correspondence. As previously agreed, items that were not flagged for discussion for this meeting will continue to be dealt with in accordance with the proposed actions that have been circulated, and decisions taken by the committee in relation to correspondence are recorded in the minutes of the committee's meetings and published on the committee's web page. Seven items of correspondence have been flagged in the category of correspondence from Accounting Officers and Ministers as a follow-up to previous meetings of this committee. The first is No. 854 B from Ms Orlaigh Quinn, Secretary General of the Department of Enterprise, Trade and Employment, dated 27 October 2021, regarding data centres and their implications for Ireland's electricity grid. This response arises from an enquiry we made following consideration of a previous item of correspondence from the Tánaiste on this issue. The committee requested clarity as to the specific analysis that has been undertaken in respect of growing energy demand due to data centre investments. The Secretary General states such analysis has been undertaken by bodies responsible for the management and regulation of our electricity market, namely, EirGrid and the Commission for Regulation of Utilities, and provides hyperlinks to those analyses. Also provided is the Government statement on the role of data centres in Ireland's enterprise strategy. Deputy Catherine Murphy flagged this item.

Deputy Catherine Murphy: I merely wanted to suggest that we send this on to the relevant sectoral committee, namely, the Joint Committee on Environment and Climate Action, which may find it useful.

Chairman: I am happy to do that.

The next item is No. 855, from Mr. David Gunning, chief officer, National Paediatric Hospital Development Board, dated 29 October 2021, providing information requested by the committee in regard to the new children's hospital, including the impact of construction inflation costs, which we discussed briefly some time ago; the number of design changes since the beginning of the project; lessons learned from the planning phase; and the PwC independent review on the escalation of costs. Detailed information is provided in regard to the contractual provisions regarding inflation. Essentially, the new children's hospital construction contract permits the contractor to recover the cost of tender inflation in excess of 4%, and this provision came into effect in August 2019. The inflation payment from the State to the main contractor, including VAT, for the period August to December 2019 was €1.6 million, and a further €1.5 million was paid out for the period of January to December 2020.

On the lessons learned from the planning phase of the project in terms of the procurement process, the contract and related controls, the chief officer states that the form of contract used was the standard Office of Government Procurement public works contract for employer design, with some elements of the works contract modified to meet the two-stage procurement requirements of the project. He also states that the process was overseen by a third party. The chief officer goes on to state that, in regard to lessons learned from the procurement process and the public works contract, the PwC report sets out two recommendations regarding future large capital projects for which Government Departments are responsible. No information is provided on whether the procurement process used was, in hindsight, the most appropriate to deliver value for money for the State, or whether any lessons have been learned from a project for which the costs have significantly escalated, and one for which, despite the best efforts of this committee, we do not know the final cost or date of completion.

This has been flagged by Deputies Catherine Murphy and Imelda Munster, and by myself.

I call Deputy Murphy.

Deputy Catherine Murphy: I am looking for a number of things. We need to look for more up-to-date information, up to the end of 2021, in regard to inflation and projected inflation. We know that 4% is the threshold and there is a problem once it goes beyond that. Has forecasting been undertaken in the context of further rises in inflation and are there projections for 2022? One of the reasons this has overrun in time is because the contractor did not provide sufficient staff on the site, and it was done on a month-by-month basis in the early stages and deadlines were missed. That is something we addressed when the hospital board were in here and it is acknowledged that it was a problem. Can we ask them about the number of staff or the number of people who are actually on-site, and if the targets are still being missed or whether that has improved? The longer this goes on, the bigger the risk in regard to inflation, particularly now that we are in a time of increased inflation, in particular construction inflation. Can we seek an update on the contractor claims? Members might recall that some of them were at a mediation stage. We also need to know if the moratorium on the High Court actions is still in place. Those would be my main asks in regard to what we should go back and seek.

It is incredibly difficult to deal with this when we have not been given the report that was done in that we are trying to anticipate things without having the firm ground of responding to the findings in that report. Those are the issues that come to mind immediately.

Chairman: As Deputy Munster is not present, I will come in. With regard to the contract, it is set out that, to date, 135 of 170 contractor design packages have been approved, and that information is given under the list of design changes. A figure was mentioned at one stage of up to 700 potentially, as I recall, and a figure of 400 was given for those they were supposed to be working through. What I want to analyse from that is where the discrepancy is between the figures we were given here by the board, when they were in last year, and the figures that are there now.

In terms of the project, it is said the procurement process for the contract commenced in 2015 and the form of contract used was a standard Office of Government Procurement public works contract for employer design, with some elements of the work contract modified to meet a two-stage procurement process. That does not tell us an awful lot. It is a long-winded description but it does not tell us exactly how that works. It states the evaluation of the tender submission was carried out using the most economically advantageous tender criteria in line with the Office of Government Procurement's capital works framework and the National Paediatric Hospital Development Board's tender evaluation procedures. It was to be overseen by an independent third party and, presumably, they brought in a consultancy firm to oversee that. We need more information about the two-stage nature of that contract. It is obviously one of the things that allowed for the potential for a huge price increase in terms of the overall cost. We should ask them about point 3 in their letter, which caught my eye yesterday when I was reading it. While they give a long-winded description, it does not really tell us anything and it is just a form of words. They should explain why that is. In addition, this two-stage procurement process is left very much open-ended in terms of price for the second stage. Where has that model been used before?

As Deputy Murphy said, we are left second-guessing much of this because we do not have the report and we do not have the timeline. In the absence of clear information, it would appear the second phase was left very much open-ended in terms of cost and the price increases that could happen. We need more detailed information around that. I will ask the Clerk to request that from them.

I call Deputy Carthy.

Deputy Matt Carthy: In respect of the issues pertaining to the impact of construction inflation on the cost of the project, I agree with Deputy Catherine Murphy that we need to get an analysis of what that is going to mean in 2022. I note that today EUROSTAT has indicated that Irish price inflation is set to breach 5% for the first time since the financial crash. Obviously, that is having a big impact on many things but it could also have a big impact on the Exchequer in regard to this project, which is already seeing the inflated costs which we have dealt with in detail. It is crucial that we get a breakdown from the Department on whether there will be a significant increase in cost as a result of that inflation rate. I request that we contact the Department on this in the first instance, as well as the board.

Chairman: From the hearing when they were in-----

Deputy Matt Carthy: We still have not received the report. If the Chairman recalls-----

Chairman: We will come to that shortly. In their previous visit here, on that whole issue of the second phase of the tender, pricing, price inflation and what kind of procedures and rules are around that, we were never able to get a clear answer.

On the Deputy's point, we should write to the Secretary General of the Department of Health and ask where the report is. We should point out it is unacceptable that it is almost a year since the Committee of Public Accounts sent an invite to the development board and the Department of Health to come in here in this regard. We delayed it. We wanted them to come before the committee immediately after Christmas but we put it back to February because the report was not ready. It has been spun along since then. At this point, if the committee is agreeable, we should write to the Secretary General and ask for the report to be furnished. If it is not furnished, we should ask for an explanation as to why not. That the Department reviewing it is not an acceptable answer at this stage. How long does it take to review it?

Deputy Catherine Murphy: The last time we had correspondence we were told not even to discuss it and not to discuss timelines or to speculate on it. We were pretty much told that we were not going to get it. This morning, we had a discussion with the Department of Transport. It has big projects on the way. The very least we would want to do is learn some lessons from the mistakes of the past. The Chair has made a point about the two-stage process. This was really where a large amount of the extra expenditure arose. We were told if it went out to tender again it would just delay it. It was not feasible to do the two phases and have a proper tendering process on the second phase. This type of information is very important for understanding what can go wrong and where we can keep an eye on other very large-scale projects. I accept there is a new spending code but process is important. Part of the reason I asked about the number of staff on the site is that in a scenario where there is construction inflation, it could be way beyond 5%. The longer this goes on, the more the contractor can gain from it in theory. It is very important that we are given information on exactly how it is progressing. If there is any slippage in the number of people on site it adds to the exposure and to the price. This is why this particular aspect of it is so important.

Chairman: We will include this question. It is highly relevant with regard to construction inflation and the shortage of building workers. They are tied in. Is there a time limit? There does not appear to be a time limit for the work to be completed. That is my memory of it. There is nothing whereby it has to be completed by 2022 or 2023 as far as I am aware. I am open to correction.

Deputy Catherine Murphy: I think we were told on the previous occasion that the expectation was 2024 and that it was significantly behind.

Chairman: That is right. That was the expectation.

Deputy Catherine Murphy: The thing is it can only go as fast as the number of people on site working on the project.

Chairman: We will seek answers to these questions. If it is agreeable to the committee, we will also write to Mr. Watt, the Secretary General of the Department of Health, requesting a copy of the report. We should mention in the correspondence that if there are sections that are considered to be highly confidential due to commercial sensitivity, they can be redacted and the report can be sent to us with those redactions.

Deputy Catherine Murphy: At some point we should get the price of all the black ink the State owns because we get a lot of reports that are obliterated.

Chairman: On 18 October, we sought a timeline on when the Department of Health's value for money review of the nursing homes support scheme would be published. That was one issue. We also sought a timeline outlining when the committee can expect to receive the report prepared by the National Paediatric Hospital Development Board, which outlines progress on the national paediatric hospital project to date, including analysis of the final cost. We will note that we have not received a response to the letter we sent on 18 October. We will add in the additional points. I find it totally unacceptable. Here is the biggest capital project and not alone can the Committee of Public Accounts not get answers to our questions but we cannot even get the Department to respond. It is totally unacceptable.

Deputy Colm Burke: There is an issue with regard to all building projects getting staff. People from Cork, Kerry and Limerick are working on building projects in Dublin. This is having a knock-on effect in their areas. We need to find out the stage at which the hospital is. Is it 25%, 30% or 35% complete? The big problem we have now is that there are a lot of sub-contractors doing electrical work, plumbing work and all of the infrastructure that has to be put in internally. Are there particular delays in individual areas? In some areas there is a shortage of equipment. What issues are arising in this regard? It is important that we get an indication on the challenges.

Chairman: I thank Deputy Burke. We will look for this.

No. 856 is from the Secretary General of the Department of Justice, dated 29 October 2021. It provides information requested by the committee on the Garda Síochána Ombudsman Commission, GSOC. This arose from correspondence we received from GSOC, which raised concerns regarding its resourcing and increasing caseload. The Secretary General states that the Department works closely to support GSOC and that GSOC's budget increased by 18% in the period since 2016. The correspondence states that following engagement with GSOC this year, it was agreed that GSOC could incur costs in the region of another €300,000 in 2021, which the Secretary General states would allow GSOC to address the immediate needs identified in the correspondence with this committee. In relation to 2022, GSOC has been allocated an additional €2.1 million. Is it agreed to note and publish this correspondence? Agreed. Deputies Carthy and Catherine Murphy have flagged this item.

Deputy Matt Carthy: I find the letter from the Department of Justice interesting. It reiterates GSOC's mission to provide efficient, fair and independent oversight. Any of us who have

had engagement with people going through the GSOC process could not appropriate the word “efficient” to the process. It can be very long and drawn out. I would argue that in many cases the GSOC process is used by the Department to avoid having to answer questions. While it is in the process of GSOC, Ministers, the Garda and the Department all refuse to address issues. It was particularly frustrating when GSOC was dealing with the Shane O’Farrell case.

I know GSOC is in our work plan. There have been revelations that GSOC has written to 400 people to state their investigations will be impacted. We will take this to mean they will be delayed as a result of what is essentially unofficial strike action by senior gardaí. It is important that we get an appraisal from GSOC as to the specific implications this will have on its workload and timelines. Can we ask GSOC to respond to the Department’s letter on whether it is satisfied that it has the necessary resources to carry out its work efficiently? The following is at the Chair’s discretion. Do we have the competency to write to An Garda Síochána to get a response to the suggestion that the actions of some of its members are delaying the work of GSOC?

Deputy Catherine Murphy: On the same point, the final paragraph on the front page of the correspondence states that in July this year there was agreement that the Department would manage overall funding within the Vote in order that GSOC could incur additional expenditure in the region of €300,000 in 2021. It states this additional funding would enable GSOC to address the immediate needs identified in the committee’s letter, including a number of key investigations. Does the additional amount address the current industrial relations issue? It is an industrial relations issue. Where is that at? Where is that to be resolved? Some of the letters that went out to which Deputy Carthy referred indicated that the Statute of Limitations would apply and that the investigation could terminate without conclusion due to the Statute of Limitations. I share the concern about answering questions. A question of mine was disallowed on 9 November? I asked the Minister for Justice had she directed the ombudsman commission in the context of examination of Garda practice, policy and procedure, to examine the memorandum of understanding that exists between GSOC and An Garda Síochána in relation to information sharing and if she was satisfied that it was functioning as intended. I was told that the Minister has no responsibility in that regard. I find it hard to accept that is the case because the Minister can intervene for a review. The Minister talks to the Garda Commissioner all the time. She must have a relationship with GSOC too. I do not hold with the idea that the Minister can be totally removed. It is quite difficult to figure this out. You cannot blame an organisation if it does not have the resources to do the job. We saw that in a freedom of information request that Mr. Ken Foxe followed up on relating to the provision of members of the Garda for some of the investigations. It took a long time for the required Garda members to be provided to GSOC to conduct investigations. The last thing anyone wants is to get to where so much time and energy has been put into something and then it does not proceed because they do not have the resources and they run into an issue with the Statute of Limitations. There is a range of concerns around what exactly that €300,000 allows to happen. We need to go back on that. Does it address the current industrial relations issues? Where do those industrial relations issues reside? Are they in the Workplace Relations Commission, WRC, or in An Garda Síochána? I am not sure to whom that question should be addressed. Those are questions that are worth pursuing and there may be others after we get a response.

Chairman: Will Deputy Carthy propose the areas that committee shall seek information on in its correspondence? What does he think we need?

Deputy Matt Carthy: There are two items of correspondence, potentially. One is to GSOC

seeking a response to the letter from the Department as to whether it is satisfied that it has the resources to carry out its work efficiently. It should also outline the basis of the action that has resulted the letters being sent out. We should also write to An Garda Síochána seeking an update on that action and its impact on GSOC.

Chairman: We have to be careful, obviously. We cannot become involved in the industrial relations issue -----

Deputy Matt Carthy: I am not suggesting that. It is only to see -----

Chairman: We can seek an update from the Commissioner on that. Are we happy enough with that?

No. 859 is from Mr. Martin Whelan, head of public affairs and communications, National Treasury Management Agency, NTMA, dated 1 November. It provides information requested by the committee arising from our meeting with the NTMA on 7 October. The NTMA also acts as the State Claims Agency. The correspondence includes a breakdown, by sector, of the 12,175 claims against the State active at the end of 2020. These are categorised under the clinical indemnity scheme and the general indemnity scheme. The total estimated outstanding liability is over €4 billion. A breakdown of how much each tribunal involving the NTMA has cost to date is also provided. These include the Moriarty, Mahon, disclosures, Morris and Smithwick tribunals. In total, third-party legal cost claims amount to over €132 million while the cost of agreed claims stands at €59.3 million, so that is almost €200 million between the two. Other information provided includes details of special dividends relating to New Economic and Recovery Authority, NewERA, projects, and that as of end-September 2021, damages amounting to €1.53 million had been paid by the State Claims Agency in respect of the national screening service, or CervicalCheck, cases.

This item has been flagged by Deputy Catherine Murphy. Can we agree to note and publish it?

Deputy Catherine Murphy: That is very useful correspondence. I tend to look for the small print and I did that for the table on the second page, which includes active claims and the general indemnity scheme. At the very bottom, under the table, it says that the Irish Prison Service figures include 1,852 lack of in-cell sanitation mass claims. If that is removed from the estimated outstanding liability, what would the liability then be? Does the figure of 2,399 include the 1,852 claims? I presume it does, or does the figure count it as one, as a mass claim? Can we seek clarification on that figure and ask what extent of estimated liability that the €85.82 million relates to?

On the second point, the breakdown of how much tribunals involving the NTMA, including the Moriarty, tribunal, it gives the amount claimed and the cost of claims but underneath it states the above table relates only to third-party legal costs. We need the total figure. Can we ask for that? It may be that the third-party costs are equal or more than the very large amount that we were already notified. That would be an important figure for us to look for.

Chairman: I had two queries. One related to the Prison Service and the 2,399 active claims. The Deputy made the point about the claims relating to in-cell sanitation. I propose that we look for information on how many of those claims are from staff working in the Prison Service.

Second, there are 728 active claims with An Garda Síochána with an outstanding liability of €48.29 million. I would ask the question of the State Claims Agency as to whether that relates

to 728 individuals or if not, how many individuals does it relate to. If there are 728, that seems like a very high figure in a policing service that has about 14,800 members. That would mean that more than one in 20 has a claim against the State.

Deputy Catherine Murphy: It may not just be members of the Garda, it may also be members of the public.

Chairman: Yes, that is why we should seek clarification on whether they are all staff, and to see the number of staff that are involved in it. It would seem to be very high.

Deputy Matt Carthy: I support those proposals from the Chairman and Deputy Murphy. The stand-out figures in the correspondence are those relating to claims regarding our health services. The figures paid over the past five years in medical negligence claims amount to almost €322 million. Active claims relating to the HSE are almost 50% of claims, just under 3,830, with an estimated outstanding liability of €595 million. Obviously, we cannot go into the merits or otherwise of those claims and the awards that have been made, but it appears fairly self-evident that if we could improve the situation with regard to claims being made and awarded with our health services, we could deliver a significant saving, not only to the State but also to every insurance customer in the State. Without a specific proposal around how we could do that, will the Comptroller and Auditor General indicate whether or not he has come across anything in his deliberations that could point to a potential way of reducing the numbers of claims, and reaching those savings, or whether his office would be willing to examine this matter further in the coming period?

Mr. Seamus McCarthy: I have reported previously in relation to the State Claims Agency. I am considering revisiting the issue for next year and particularly with an emphasis on the kind of feedback that is given by the State Claims Agency, given its experience of processing claims and making settlements, to look at what kind of information goes back to the public bodies and how they are advised to try to avoid claims into the future. I do not know if this addresses Deputy Carthy's interest. Certainly, I can engage with the committee again on that and the parameters of it, if the Deputy wishes.

Deputy Matt Carthy: That would be very helpful. Perhaps the previous report could be circulated again, particularly for newer members of the committee.

Mr. Seamus McCarthy: It is from 2012 but having reviewed it recently it is probably still relevant and useful in the context of the framework of issues that arise in relation to management of claims.

On the questions about the number of claims in the Irish Prison Service and An Garda Síochána cases, there is further information in relation to the claims outstanding at the end of each year in a note to the appropriation accounts. It might be useful to review that before the committee writes to the Department or to An Garda Síochána in relation to the claims and breakdown of those. I have the Garda Síochána appropriation account opened here. They divide the claims numbers between claims by members of An Garda Síochána and employees of An Garda Síochána on the one hand, and civil claims by members of the public. Certainly, in the latter case there are probably 320 claims by members of the public and then it lists some 180 claims by members and employees of An Garda Síochána. The figure given here is a bit higher and that raises a question for me as to why there would be a discrepancy.

My interpretation of the figures relating to the Irish Prison Service is that they are counting

each of the claims as an individual claim although they are probably being handled as a group claim, or at least a class of claims, so that whatever settlement is made the terms of the settlement would be similar for each of the claimants.

There was a question also about the tribunals' figures. My reading of the small print, together with the table, is that these are the third-party legal costs claims that were being handled by the State Claims Agency. The legal costs of State bodies and of the tribunals would be charged to the relevant Votes. The State Claims Agency is only dealing with third-party claims. As I read it here, these are cases that have been settled by the State Claims Agency to the end of September 2021. I do not know this is helpful to Deputy Murphy.

Deputy Catherine Murphy: If that is the case, one would need to gather the information from the individual Votes and combine it with those figures to get the complete picture.

Mr. Seamus McCarthy: That is relatively easy to do because there is a cumulating figure for each of the tribunals for all the expenses that were incurred by the individual tribunals up to the end of 2020. There might be double counting because some of these claims expenses would have been passed back to the Department. The best place to get a handle on the total costs of an individual tribunal is to look at that note in the relevant accounts.

Deputy Colm Burke: I understand that for next year it is estimated that some €540 million will be paid out in claims right across the board. On the payment of claims, one of the biggest problems in the context of medical negligence is the actuarial figures for what amount of money needs to be invested in order to provide the level of care that the injured party may require into the future. It is not only about care, however, it is also the cost of living and so on. If, for example, a large sum is paid out today and the person passes away in 12 months, two years or three years, that money then has been paid by the State. The question is whether or not we should be looking at a system, such as in other countries, whereby an assessment is made of needs of the person and there would be an annual payment as opposed to a lump sum payment. Should Ireland be looking at that system? We have a huge problem now in relation to the current level of claims pending and the cost that is going to be incurred, and whether or not it would be better to look at it in a more logical way of assisting people on a yearly basis. Has this ever been looked at?

Chairman: We can put that query to the National Treasury Management Agency, NTMA.

Mr. Seamus McCarthy: My recollection is that there is provision in law for periodic payment awards to be made. I cannot remember the particular reason why it has not been implemented as envisaged. There was some hold up in it. Whether it is a legal or a technical issue I cannot recall. Certainly, the Department need-----

Deputy Colm Burke: I am aware they are paying out advance payments, for instance in the medical negligence cases where it is clear that the family does need the support to provide the level of care, and then there is a hold off in relation to what the final award should be, on the basis of seeing how the person progresses over a period of three to four years. There is an issue with the amount having to be paid out. Before, when one invested money it created an annual income. Now, if money is put into the bank one is penalised. There is that difficulty too. Even if an award of a substantial sum is made, we must ask how this sum is then managed in order to provide the level of support required. There are now a whole lot of complications. It raises the question of whether we should now be looking at a better system for dealing with this.

Deputy Catherine Murphy: This is an issue that the previous Committee of Public Accounts dealt with on several occasions. The State Claims Agency appeared before us recently. The main area is the one that Deputy Carthy alluded to, namely, the HSE. Most of the very expensive claims relate to accidents at birth. We see settlements weekly. No amount would ever be compensation for the person who might have been and his or her resultant quality of life had that accident not happened.

One of the ways of dealing with this matter more cost efficiently was to be the open disclosure process as opposed to a protracted legal approach. Interestingly, the State Claims Agency told us that the pandemic had changed the situation significantly, in that there was a greater likelihood that people would pursue mediated settlements as opposed to court settlements. Individual solicitors were giving that advice because going through the courts had grown more difficult. As such, it appears that it is at the level of solicitors as opposed to the agency that there is movement. The agency said that it had encouraged that. The figures seem to suggest that, but it was at the level of the legal profession that movement was slower.

If there is a speedier and less legalistic resolution, it has the benefit of cutting costs on the legal side. This is one of the matters we need to keep pursuing to ensure a more efficient and less legalistic approach. We need to understand what the impediment is - we have not quite got to it - and what can be done to improve it.

According to the figures we have been given, there is a contingent liability in this regard. Will Mr. McCarthy address it? It relates to the HSE in particular. From memory, the contingent liability is a multiple of the liability that is captured in the second column.

Mr. Seamus McCarthy: I believe the Deputy is referring to the first table on screen. My understanding is that that €4 billion is the estimated outstanding liability. It is the figure that will appear in the State Claims Agency's closure note in the annual statements. The HSE would report in its financial statements the outstanding liability figure under the clinical indemnity scheme and part of the general indemnity scheme. In 2020, I believe the HSE reported a figure of €3.3 billion or €3.4 billion. The annual payment would be smaller. I believe it was €450 million or so in 2020, which is the evidence that was given, and that is in the financial statements of the State Claims Agency for 2020.

Deputy Colm Burke: Four years ago, the estimate was approximately €2 billion. In a short time, the contingent liability has almost doubled. My understanding is that next year's estimate alone is approximately €540 million across various claims. For how many more years will the figure continue to climb?

Mr. Seamus McCarthy: I believe it was in the 2015 annual report on the National Treasury Management Agency, NTMA, accounts that I drew attention to a court judgment that year that changed the discount rate that was used in calculating the awards exactly as the Deputy described. It was noted that it had a significant impact on the level of liabilities, but the level of liabilities has continued to increase since then. My understanding is that the discount rate has not changed further; rather, the increase has had to do with the number of claims and the seriousness with which the courts are determining there are compensations to be paid. There is a combination of factors, but the trend is upward. It is a very significant number. That is part of the reason I want to examine the matter again for my 2021 report.

Chairman: I thank Mr. McCarthy. Some of the issue has been clarified. Is it agreed that we write to the NTMA regarding the annualised payments? Mr. McCarthy has clarified that there

is provision for it in law.

Mr. Seamus McCarthy: It is referred to as a periodic payment. It is like an annuity that would be paid on a weekly or monthly basis as required rather than an individual lump sum that goes into a ward of court management situation.

Deputy Colm Burke: I wish to ask a question in respect of wards of court. Normally, their funds are lodged in banks and earned interest. In light of the penalties being imposed by banks on deposits, though, how are they being managed now?

Mr. Seamus McCarthy: I do not know offhand. I do not audit the wards of court fund. That is a matter for the accountant of the High Court. The High Court produces an annual report, though, so it should be quite easy for the secretariat to get a copy of it and draft a note for the Deputy.

Deputy Colm Burke: I thank Mr. McCarthy.

Deputy Catherine Murphy: Regarding the improvement under the open disclosure process during Covid, and in light of the change that happened very much on the Law Library's end, it might be worth asking the State Claims Agency what engagement it is having with the legal profession to drive home the importance of taking the open disclosure route. There was a major difference. The rate jumped to 30% plus from 23%. The lack of available court opportunities seemed to drive it. That was a revelation.

Chairman: We will ask that question.

Next is No. 861 from Mr. John Hogan, Secretary General of the Department of Finance, dated 21 October, providing information requested by the committee regarding the special liquidation of the Irish Bank Resolution Corporation, IBRC. Following consideration of previous correspondence on this matter from the Department, namely, No. 718, the committee requested details of the checks and balances in place within the Department over value for money auditing of each line of expenditure in respect of liquidation fees, including a breakdown of fees and clarification as to whether fees would continue to increase the longer the process went on. The Secretary General states that there has been a high level of oversight by the Department since the process commenced in 2013, including procedures to monitor and oversee the costs and fees incurred in the liquidation, regular formal meetings between senior officials from the shareholding and financial advisory division and the special liquidators, and frequent communication between the shareholding and financial advisory division and special liquidators across a range of issues as they arise. The Department also sets out the reports that the special liquidators routinely supply and states that in 2019 the Department commissioned an independent review of similar liquidations globally, which provided it with an independent analysis of other liquidations of a similar scale, allowing comparisons and benchmarking with the IBRC special liquidation, particularly in regard to costs. The findings of that report are set out in the correspondence.

The Secretary General goes on to note that as stated in the latest progress report the time-frame for the final wind-up of IBRC has been extended to 2024. This is attributed to the impact of the pandemic and delays in court proceedings. The impact of the pandemic on asset values and the need to ensure the optimal timing for asset sales are also noted. In regard to costs, over the remaining timeline of the liquidation, the special liquidators have forecasted total further fees of between €26 million and €33 million. This will bring the total fees incurred over the duration of the liquidation from 2013 to 2024 from €320 million to €327 million. This includes

costs should the process not conclude until 2024.

The Secretary General states that the priority outcome from the liquidation is to maximise the return to the State and that any decisions regarding the timeline will be subject to that objective.

Deputies Carthy and Catherine Murphy flagged this matter. I call Deputy Carthy.

Deputy Matt Carthy: I have a number of queries with regard to the logic that the Department has asserted as to the reason for the extension of the completion of the liquidation. The Department has very usefully outlined the potential losses in asset value if the assets were to be disposed of by the end of this year, next year, 2023 and 2024 and the additional holding costs that would incur. On the holding costs above original projections, these are set out for 2021, 2022, 2023 and 2024 as €2 million, €7 million, €18 million and €26.5 million, respectively. I would like clarity on the discrepancy in that regard. According to the Department, the holding cost for 2022 would be €5 million more than the cost for 2021. The difference between 2022 and 2023 is €11 million and between 2023 and 2024, it is €8.5 million. There does not appear to be any logical fix in how much each year of delay would cost.

Unless somebody can tell me otherwise, I presume that when we are talking about asset realisation, we are, for the most part, talking about properties. It appears to be an almost a gamble strategy to suggest that the difference in assets value at the end of this year, taking into account how high property prices are currently, will be less than what it will be at the end of 2024. If anything, it would be hoped that the market might have cooled in the meantime, but the Department is expecting that the value of these properties will increase to the value of €189 million. That is a fairly big statement. It is the basis on which the Department has agreed to spend an additional €26.5 million in holding costs. I would like further clarification from the Department as to how, and on what basis, it is assuming these asset values will increase to that level.

It was stated that the many of the remaining assets are in the hospitality, office and retail sectors and that it will not come as a surprise that the special liquidators have advised that the assets value were significantly negatively impacted by Covid-19. That may be the case, but some would argue that that has been almost completely reversed. The property pages show the price of property, depending on where it is located, is at an all-time high. It would be useful if the Department could set out for us the basis on which it expects such a large increase in asset value over the specified timeframe that merits the expenditure of almost €30 million extra in holding costs.

Deputy Catherine Murphy: Every one of us wants the State to end up with the maximum return. The criticism of some of the early sales in regard to NAMA was that many of us felt it was a fire sale in that properties were sold when the market was at rock bottom as opposed to when we had a rising market. In being critical of that, we equally need to argue that we need to get the maximum here. It is a balancing act in terms of the cost and the rising cost of the liquidation and what can be realised from what remains. We do not have enough information to make that assessment. We have some generalities in regard to what is yet to be disposed of. It might be useful to get some sort of a quantum as to what is within each category such that we have a better idea. We need to also know what the net return is. I accept these can only be forecasts. This is the biggest liquidation in the history of the State. It is hoped we will never again have another as big as it. The criticism in recent years has been around the level of oversight. The Department has oversight in this regard. There is no committee of oversight, which was something that a former members of this committee constantly raised the need for in order that

we could keep an eye on this process. A bit more information is needed regarding the various scenarios, including what is to be disposed of and the quantum in each of the categories yet to be disposed of. Without that information, we are only guessing at where the values might rise or be static. We need to get that information in the first instance. The net estimated return is the type of information that would be of value to us as well.

Chairman: We will request that information, along with the clarification sought by Deputy Carthy on the increase in asset value.

No. 870B is from Mr. Ken Spratt, Secretary General, Department of Transport, dated 05 November 2021 providing information requested by the committee regarding detailed notes of expenditure. As set out in the correspondence expenditure for the MetroLink from March 2018 to October 2021 is €70 million, expenditure for DART+ from 2016 to October 2021 is €41.3 million, and expenditure for BusConnects from 2018 to 2020 is €76.7 million. The all-Ireland strategic rail review is to be completed by quarter 2, 2020, which is the information sought by Deputy Carthy. These matters are on the agenda for our meeting this morning with the Department of Transport. I understand Deputy Catherine Murphy wants to comment on this correspondence.

Deputy Catherine Murphy: This, too, is useful correspondence, but we also need to know from the Department the amount that has been spent on the DART tunnel aspect of the project, which up to 2018, was in the region of €50 million, and given that that project has been postponed until 2042, if it is anticipated that at that stage any of the information arising from that spend of €50 million, will be reused.

Chairman: It is proposed to note and publish that correspondence. Is that agreed? Agreed. That concludes our consideration of correspondence for today.

The next item on our agenda is the work programme. Last week, we agreed our work programme to the end of the year. The meeting schedule, which is reflected in the work programme circulated for today's meeting, is revised as follows: Department of Enterprise, Trade and Employment, 18 November; Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media, 25 November; Revenue Commissioners, 2 December; Department of Social Protection, 9 December; and Department of Health, 16 December. We agreed to revisit the work programme for the new year later this month. As nobody wishes to raise anything related to the work programme, that concludes our consideration of same. Does any member wish to raise any other matter before we go into private session? No. As agreed, we will now go into private session. At our next meeting on 18 November, we will engage with the Department of Enterprise, Trade and Employment.

The committee went into private session at 2.41 p.m. and adjourned at 3.07 p.m. until 9.30 a.m. on Thursday, 18 November 2021.