

# DÁIL ÉIREANN

---

## AN COMHCHOISTE UM IOMPAR AGUS CUMARSÁID

### JOINT COMMITTEE ON TRANSPORT AND COMMUNICATIONS

---

*Dé Céadaoin, 07 Deireadh Fómhair 2015*

*Wednesday, 07 October 2015*

The Joint Committee met at 9.30 a.m.

#### MEMBERS PRESENT:

---

Deputy Michael Colreavy,	Senator Sean D. Barrett,
Deputy Timmy Dooley,	Senator Terry Brennan,
Deputy Dessie Ellis,	Senator Paschal Mooney.
Deputy Michael Fitzmaurice,	
Deputy Tom Fleming,	
Deputy Brendan Griffin,	
Deputy Noel Harrington,	
Deputy Seán Kenny,	
Deputy Michael Moynihan,	
Deputy Patrick O'Donovan,	

DEPUTY JOHN O'MAHONY IN THE CHAIR.

*The joint committee met in private session until 10.10 a.m.*

### **Estimates for Public Services 2015: Vote 29 - Communications, Energy and Natural Resources**

**Chairman:** The purpose of today's meeting is to engage with the Minister for Communications, Energy and Natural Resources in order to assist the committee in undertaking a mid-year review of the position as regards outputs and expenditure with particular regard to performance measurements in relation to Vote 29 for year ending 31 December 2015. The Minister might also assist us in considering improvements that may be desirable in regard to the performance information included in the unabridged Estimate and brief us on the emerging position so as to permit the committee to participate in the 2016 Estimates discussions in advance of allocations being finalised. On behalf of the committee, I welcome the Minister for Communications, Energy and Natural Resources, Deputy Alex White.

I draw attention to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if witnesses are directed by the Chairman to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. Witnesses are directed that only evidence connected with the subject matter of these proceedings is to be given and are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

I also wish to advise that any submissions or opening statements witnesses have made to the committee will be published on the committee website after the meeting.

I remind members of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official either by name or in such a way as to make him or her identifiable.

The format for the meeting is that in the first part, we will address the issue of output based performance targets while the second part, we will relate to the expenditure pressures emerging in relation to Vote 29. Before going directly to members for questions, I ask the Minister to establish the position on the New Zealand guidance in setting out output based performance targets which, we understand, have been the basis for discussion between the Department and staff of the committee for a number of months. I am referring to the guidance included as the appendix to the briefing material circulated on Monday last. We understand the Department may have a number of issues with how the guidance has been applied to the performance measures it has included in the Estimate. Can we establish whether the Department has any issues with the guidance itself?

**Minister for Communications, Energy and Natural Resources (Deputy Alex White):** I thank the Chairman for the opportunity to appear before it this morning. I can confirm that my Department welcomes the guidelines. With my colleagues, I have had an opportunity to consider the guidelines of which we are aware, the so-called New Zealand guidelines. They are welcome in terms of having a baseline for setting output based performance targets. I know it is the committee's view that should be so. My officials and I, as Minister, are committed to working with both Oireachtas support staff and the Department of Public Expenditure and Re-

form to strengthen the performance indicators that are currently in use. That can only be a good thing. We agree that outputs, in general, should cover all significant services and proposed expenditure, that outputs should relate to the goods and services provided to third parties for which the entity is accountable, that clear specific targets should be set and that output performance measures should not relate to internal processes and events. Obviously, we all need to understand the distinction that requires to be drawn between internal processes and events on the one hand and actual outputs on the other. Finally, performance measures and targets should be supported by current and historical levels of performance where that is possible and where they are available.

Notwithstanding those general remarks, we have some concerns that moving to a system of performance outputs that focuses on goods and services provided to third parties would not be appropriate in every instance. It can be challenging to identify appropriate and timely measurement indicators for policy areas. My Department is largely a policy Department and we have a very broad remit across the communications, broadcasting, energy and natural resource sectors. That being the case a variety of different metrics is called for. For example, and we can discuss this if we have an opportunity, perhaps the most striking example, but not the only one, is the national broadband plan. The broadband plan takes several years to put together and the metrics for the design stages of a project can be very different from appropriate measures to be applied when the project is at full roll-out stage. There is the developmental phase, planning and so on. The type of measurements that are appropriate to apply to what we are doing at the moment are somewhat different from the measurements that it would be necessary to apply when the job is done, that is, do people have high quality broadband and is it working?

My Department has commenced a review of performance indicators. We are committed to bringing forward proposals for discussion with the Oireachtas, the committee and the Department of Public Expenditure and Reform in regard to the performance measures that it would be appropriate to include in the 2016 Estimates. Those are my general comments on the outputs and the performance targets approach the committee wishes to take and I support the committee in that regard. No reallocation of funds has taken place to date within the Vote in 2015, but we are considering reallocations in one or two areas. For example, the Department is considering reallocating €2.5 million capital from savings in subhead A3, ICT programmes, to subhead C4, the sustainable energy programmes, which are cash limited.

**Chairman:** Thank you. We will go into that later. Before I call Deputy Moynihan, let me explain how we will operate. I will give everybody an opportunity to ask questions on the performance indicators and we will then come back to the Minister for the nitty-gritty of the figures.

**Deputy Michael Moynihan:** I welcome the Minister and his officials. On his opening statement, it was as good a performance as we would get on “Yes Minister” any day of the week.

In simple English that people can understand, we have a form of measurement and the performance indicators measure how good the Department is doing. My understanding of the New Zealand standards, and thankfully there are now standards, is that each Department is now measured and we are measured as a Parliament on how we scrutinise Departments as to how they spend their money. I never cease to be amazed by how language is used, and the European Union is probably a past master at this, to describe basic matters such as there is now a system in place to see how well a Department is doing with taxpayers’ money or with policies they are trying to drive on behalf of the public. In every Department, but particularly in the technologi-

cal side of this Department, it is important to state the facts in plain English rather than in the gobbledygook that comes from some Departments. I am aware there is a huge volume of work going on in Departments to produce and achieve policy and performance related initiatives, but they must state simply how well they are doing with public money for the public good. That is what they are about. Is that a simple version of what the Minister spent the past ten minutes saying?

**Deputy Alex White:** First, I was not asked to prepare an opening statement. The Chairman asked me for my general response to the question of the New Zealand guidelines and I gave that response. If the committee had wanted me to prepare an opening statement, I would have been happy to do that.

**Chairman:** We did not really want one.

**Deputy Alex White:** Second, I agree this is a very good opportunity for the committee to see how well the Department is doing and I am very happy to open that for scrutiny this morning. However, in opening I was asked for a general response in regard to the advisability, desirability or operability of these New Zealand guidelines.

**Chairman:** Absolutely.

**Deputy Michael Colreavy:** I thank the Minister and welcome his officials. One thing I find frustrating since becoming a Member of the House is the difficulty in measuring personal and occupational progress against targets. It is difficult to assess whether I as a Deputy and committee member am performing well or badly and it is difficult to know what measurement criteria I should be using to make that evaluation. It must also be difficult for a Department to state the criteria and targets against which it measures its performance and for it to examine how close or far it is from meeting those.

Typically, there are both qualitative and quantitative criteria. I have noticed that in terms of looking at budgets and expenditure to date, we are good at counting what is easy to count. However, that tells us very little about how good the public service being provided by the Department is, what plans are in place to improve services and how well or badly we are doing in achieving those. I am not being critical because I understand it is not an easy process. In a previous existence, I was haunted by performance indicator measurement and monitoring. Frankly, I found it a pain in the neck when we started using the measurement system, but as we became accustomed to using performance measurements, they became second nature to us and it was good for me to measure whether I was meeting the outputs set for the projects I was working on.

The key issue is whether we can come up with a measurement system, and we have the New Zealand model. This may need to be tweaked for the Irish context, but there is no question that we need such a system. I knew but had forgotten that a recent OECD report stated this State's Parliament is 54th out of 60 in a study of parliaments in terms of scrutiny of departmental budgets. We can all hide behind imprecision and it can be quite fun to have philosophical discussion as to what is happening in a Department. However, as committee members we are not delivering a good public service unless we can measure whether Departments are delivering on the promises they made.

I am glad to hear from the Minister that his Department has accepted that some sort of monitoring is required. It may well be that further work needs to be done on establishing the criteria

for that. The committee should have some input into the process of deciding what performance measurement will be used. We also need to consider how we can establish the qualitative rather than quantitative performance of the Department. Again, I would like the committee to be involved in that process.

**Chairman:** The Minister said he agrees with the principles but that the issue needs to be teased out. There may be some concerns, but it is important and that was accepted in his opening remarks.

**Deputy Alex White:** Could I add one or two remarks? What the Deputy said is extremely thoughtful. He is right. Sometimes it is frustrating for all of us, whether as a Minister or public representative, to try to measure the effectiveness of what we are doing. We could start work at 6.30 a.m. and work right throughout the day and then ask ourselves how we can measure what we did. I believe that is what this committee is trying to do in a helpful way. It is asking whether we can apply some metrics to this process in order that we can have a sense of what has been achieved and in order that it can question me on whether we are satisfying those measures. That is the question we need to answer.

Broadly speaking and just looking at my Department, examples of measurable outputs would be, for example, things such as energy efficiency in homes. That is objectively measurable to some extent at least. Similarly, the Department has an objective whereby fossil fuels will be replaced over years or decades with renewable energy. The question as to whether the Department is achieving this goal is measurable, admittedly over a period of years rather than on a day-to-day basis. I mentioned broadband and stated the Government will ensure that broadband reaches every home and business in the State by 2020, with 85% reached by 2018, through a mixture of public and private sector investment. It will not be possible to measure this aim until 2018 to ascertain whether the 85% target was reached and until 2020 to find out whether all areas were covered but it is possible to measure the credibility of what is being done at present to reach those objectives and that can be tested. As for broadcasting, I do not know. That perhaps is a quite difficult area in respect of outputs. One might suggest outputs of hours on air but that is hardly a satisfactory measurement of outputs. It is certainly not a measurement of quality and is not sufficient. One might suggest measuring indigenous programming, that is, programming produced in Ireland and that might be a good measurement of the success of the broadcasting policy. I believe more could be done to enhance the kind of measurement the committee is seeking and I will support the committee in this regard.

**Chairman:** I presume the Minister's officials will engage with this committee on a continuous basis.

**Deputy Alex White:** Absolutely.

**Deputy Michael Colreavy:** Is there an office, person or people within the Department specifically considering what kind of performance monitoring is required? What level of discussion or consultation will take place with the joint committee?

**Deputy Alex White:** Yes, we have an economics unit within the Department that is specifically charged with looking at this issue. Even on the basis of this short but useful discussion over the past ten or 15 minutes, I will ensure the Department will redouble its efforts, if I can put it that way, to address this issue and to so do in consultation with the Oireachtas staff and this joint committee because that will help all of us and in particular, ultimately, the public.

**Chairman:** If it is acceptable, I will take all the members who wish to come in here, Deputies Harrington and Tom Fleming and Senator Mooney have indicated, and perhaps I then will ask the Minister to respond before we move on from the performance side to the other side.

**Deputy Noel Harrington:** I welcome the Minister and his officials, as well as his opening statement and his commitment to presenting the information with the new guidelines. I have a few questions. In discussions the Minister may have had with the Department in the knowledge the new guidelines were to be discussed, did he meet with some resistance within the Department? While I accept the Minister's commitment to it, that may not be so forthcoming from certain parts of the Department and I seek to ascertain whether there was resistance in this regard. Second, I accept the point that some Departments lend themselves well to this type of measurement involving inputs, outputs, impacts and so on. The Minister noted that the communications portfolio, for example, is very much a policy-driven Department. However, there are subheads or areas within the departmental Estimate that lend themselves well to inputs, outputs and impacts. I suggest one of these is under subhead A3, which deals with the national broadband scheme, MANS networks, schools networks and postcodes. These are programme-driven or project-driven initiatives within the Department. The real issue members of the committee have is that when they consider the items covered in this review, they look at figures adding up to thousands - under this subhead adding up to just short of €18 million - in a single snapshot that effectively tells them nothing. The figures tell members what is being spent in a six-month period in the first half of the year, the projection for the remainder of the year and that is it. Were the Department serious or were it attempting to consider how the guidelines could have been displayed to the committee, even today, I suggest it would have been possible to have that type of output measurement in a basic sense on subhead A3, which lends itself well to the new guidelines.

**Chairman:** We will take a few more questions before allowing the Minister respond to them. I understand Deputy Tom Fleming has indicated.

**Deputy Tom Fleming:** Briefly, the first thing members should do is learn from past or current experiences such as, for instance, the development of the Eircode concept. A number of months ago, the joint committee was told by the Minister that €27 million was the envisaged cost and through the use of priority questions and so on tabled by various members, attention was drawn-----

**Chairman:** Deputy Fleming will be able to query individual amounts for particular items in the second stage and I will revert to him then. I want members to remain concentrated on the performance indicators.

**Deputy Tom Fleming:** While the first issue is broadband, the costs associated with the Eircode implementation will be extravagant and I will allow the Minister to elaborate on that. The cost is now perceived to be approximately €37 million but I will revert to broadband. The broadband programme is highly ambitious but I refer to its overall delivery to areas that need it, particularly those that have been left behind in the two-tiered development of the economy taking place at present. For instance, small businesses and small farmers, such as the man trying to exist on 30 cows or 100 sheep, he is-----

**Chairman:** I am sorry for interrupting Deputy Fleming but if possible, we should get the performance side of it finished and then we can come back to the-----

**Deputy Tom Fleming:** Fair enough. Will the Minister-----

**Chairman:** I will ensure that Deputy Fleming may come back in respect of those matters.

**Deputy Tom Fleming:** Yes, but to be honest I will be unable to be present then. The Minister has referred to broadband and the various companies involved and how the position is fragmented. There is no co-operation and the Minister should grasp this matter by the scruff of the neck and pull it together. There are communities for which wireless providers have been trying to develop services recently. As for trying to achieve this by 2020, they need it now and while the Government has stated it hopes to induce emigrants to return to their communities, it has no hope in the present environment. Many points were made regarding energy efficiency but the electricity providers are conducting insufficient awareness campaigning. A sense of awareness is needed as to where there can be energy cost savings and so on. There is a great deal of wastage and more could be done to target those matters.

**Chairman:** I will ensure the Minister addresses those points at the relevant time. Senator Mooney.

**Senator Paschal Mooney:** I welcome the Minister and his officials. I am basing my questions on a comprehensive document provided to members on outputs that specifically is to do with broadband and will cite that document because the Minister may be able to clarify a number of issues. For example, what is the estimated total cost this year of delivering on the fifth measure, which is to deliver on an implementation strategy for the public consultation and proceed to procurement phase, which is the final phase? Are there other significant and distinct outputs or activities whose costs are to be met from subhead 3? Under that subhead, the mapping, State aids and procurement stage, leading to State-led investment, was to conclude last year. In addition, as can be seen from the output targets included in the Estimates for 2013, 2014 and 2015, departmental activity on national broadband service strategy development and implementation has been ongoing for a number of years, is complex and is not calendar-related.

In spite of the Minister's remarks in his opening statement to the effect that the system would be delivered by 2020 and that much of it will be in place by 2018, I can remember one of his predecessors in a Fianna Fáil Administration saying much the same thing approximately ten years ago but we still are at the stage we have reached. Admittedly, there have been considerable improvements since then but sometimes I am a little sceptical about targets that have been put in place without having anything to back up the suggestion they will happen. The manner in which the questions have been put here suggests there is a need to get clarity on precisely what the Department is doing with the money under the Estimates that have been provided thus far. The document to hand then makes an important point that in the context of the relevance of measures in this area to annual scrutiny of Estimates and associated performance targets, it is significant that such activity is unlikely to begin to provide an impact in terms of service availability, that is for customers and the public, until well into 2015 at the earliest, and for a period of three to five years thereafter, which is more or less what Deputy Fleming has been saying here. Those of us who live in rural Ireland do not want the service in three or five years; we want it now. I must say, however, that I am particularly encouraged by Eircom which has been laying cables just outside my home town of Drumshanbo for the last few weeks. My understanding is that speeds will increase from the current miserly rate of 7 Mbps to 100 Mbps, which is the rate already enjoyed in Carrick-on-Shannon, Manorhamilton and other towns in Leitrim. It is counties such as Leitrim that I am concerned about in terms of the performance outputs. We are being constantly told that it does not really matter where one is located anymore because once one has the technology, one can start up, maintain and improve a business.

I ask these questions because the information provided to the committee gives no indication

as to annual cost of policy development and implementation in this area. This is important in order to determine whether the activity contributes to meeting guidance No. 2 on maintenance of broadband services. Finally, the performance information returned by the Department appears to suggest that there has been some drift in terms of achieving targets included in the Estimate. Perhaps the Minister will comment on that. Although it is not clear that there has been drift, the materiality is uncertain. Equally significant is the fact that the possible drift has only come to our attention as a result of information sought from and provided by the Department in the context of this mid-year review of performance by this committee. In the case of the 2013 targets, this is at least 18 months after the event. There are serious questions to be raised about the broadband policy according to the information provided here as to the outputs, performance levels and the actual impact that it is having and will have from now on. It has not been having much of an impact up to now, I would suggest, and there is a need for the Department to up its game.

**Deputy Alex White:** Deputy Harrington asked whether I found any resistance to this process of scrutinising outputs and applying a measurement of outputs to the work of the Department. I assure the Deputy that I have encountered no resistance at all. In fact, on the contrary, I have found that for the officials I work with in the Department, who are very professional people, it actually enhances their own sense of satisfaction and progress on the various areas of work with which they are involved that they would be part of a better regime of outputs scrutiny. I have found, without exception, that the officials in my Department who are working so hard on issues like broadband, for example, welcome the idea of closer scrutiny and debate, having regard to the measurability of some of the work in which they are involved. Some of the work with which we are involved is not measurable on a day-to-day basis but is measurable in a broader context, as we have been discussing. To the extent that we can improve the way we measure these things, that will not just improve and enhance the work of this committee but also of my Department and officials therein.

On the figures in head A3, the Deputy asked whether the figures given in the Estimates are, themselves, detailed enough. My view is that the more detail we can give to the Oireachtas and the public, the better. These are the Estimates in the form in which they are prepared, in terms of areas like post code, schools broadband, MANs phase one and two and so forth. These are the amounts that are set out in the Estimates. If there are questions about how they are broken down and so on, we can deal with those issues in terms of the adequacy of the numbers themselves but on the general question of outputs, this constitutes very significant progress in terms of public policy. We very much support the approach being taken by the committee. If I can get more detail for members at any stage, whether it is on the individual figures in A3 or anything else, I will do my utmost to do so.

I am conscious that the other issues that were raised by members all touch on substantive areas within the brief. I will be directed by the Chairman as to when I should respond to those.

**Chairman:** I will go back to Deputy Moynihan now and then we can go through the individual figures and the issues raised. Is that agreed?

**Senator Paschal Mooney:** On a point of information, in the context of the answer the Minister will be giving, there is a reference to the fact that the draft strategy defines the area requiring intervention - in other words, improvement of broadband - as representing 30% of the addresses in Ireland but 96% of the land area of the country, equivalent to 100,000 km of road. That is a very ambitious target.



**Deputy Alex White:** Yes. We have given those figures many times to the committee in the past. I can break them down later for Senator Mooney if he wishes but that is not new information. We have discussed it many times here and it is ambitious. It is very ambitious but it will be achieved.

**Deputy Noel Harrington:** I thank the Minister for his answers in respect of those programmes that easily lend themselves to the new guidelines. It would be helpful to the committee if the Minister and the Department could in respect of the information technology subhead which deals with MANs 1, for example, look at the figures retrospectively and apply the guidelines in a retrospective way over a number of years. That would be a useful exercise in that the Department would then be able to say that the figures as presented give more than just a snapshot but illustrate a trend over a period of time in terms of how the Department is performing with respect to its oversight of individual programmes and expenditure on those programmes. If we had information on trends over a two or three year period, that would be very useful.

**Deputy Alex White:** That is a very useful intervention on the part of Deputy Harrington. I understand better now what he Deputy was referring to earlier. He is right because in order to be able to supervise or examine outputs, one needs to have the maximum amount of information available. One needs not just high level figures, but also the specifics. I will certainly consider what Deputy Harrington has said and see if we can address it.

**Chairman:** Thank you Minister. I call on Deputy Moynihan now and we will revert to the Minister again later.

**Deputy Michael Moynihan:** The Department's brief is very wide, covering communications, energy and natural resources. I am concerned by a number of issues, one of which is broadband, which was already referred to by Deputy Fleming and Senator Mooney. Where are we at with the broadband project? I note that €275 million was allocated on the capital side but the Minister's predecessor said that it would cost somewhere in the region of €500 million to do a decent job of connecting everybody to the broadband network by 2018 or 2020. I have raised with the Minister on the floor of the Dáil the enormous level of concern and frustration with the patchiness of the network. Nobody seems to be in charge of this and ComReg does not seem to be taking a hands-on approach. A new mast which was erected recently in Meelin in north Cork to improve broadband services is now interfering with the already patchy broadband services in the area. This is causing enormous frustration. Young people are now making decisions about whether to continue living in rural Ireland because of poor broadband coverage, not to mention the issues around planning which seem to have taken on a life of their own. Anything that can be done to stop people living in rural Ireland is being done but that is a different debate.

What stage is the broadband programme at now? We were expecting something back from the European Commission in mid-2015 in respect of the state aids programme. What has happened to that? What stage are the tendering documents at? How advanced is the process for State intervention to ensure that 30% of the people in this country have an adequate broadband service? On Deputy Fleming's point about returning emigrants, people have been used to living with these facilities. It is almost like people returning in the 1970s, deciding to do so based on whether they would have running water. That is how serious it is.

It now transpires that €38 million was spent on Eircode rather than €27 million. Officials from the Department and Eircode and everybody else had confirmed to the committee that it would be €27 million. Where and how was that allowed to go out of kilter?

There is huge scope and huge challenges in the broadcasting sector. Various lobby groups from local radio stations have come in looking for their slice of the licensing fee cake. Is the Minister satisfied that the taxpayer is getting value for money from the licence fee being handed to RTE and for the €58 million which is given through the Department of Social Protection for the free licence for the elderly on top of what is being collected from householders? The local radio stations really serve their communities in urban and rural Ireland where the national broadcaster has not served anywhere beyond the M50 for several generations.

I commend the Department's work on the Green Paper on Energy Policy in Ireland. This committee has discussed the raw material for gas and so forth. Its cost has dropped in the world market but that is not reflected directly in the price. Does the Minister think the Commission for Energy Regulation, CER, is properly resourced by legislation to adequately address the issues in the energy market? I believe it is not and a major legislative change is needed. The Minister mentioned some transfer of funds from one subhead to another for the warmer homes scheme. It has been very beneficial but a massive amount of work needs to be done on the scheme. There are certain socio-economic groups which suffer from fuel poverty. There needs to be a massive concerted effort. Some local authorities ran pilot schemes with the warmer homes scheme for their housing stock but that was on a small scale. A massive amount of energy and money is being lost. I encourage the Minister to ensure that the warmer homes scheme is even more adequately funded.

What is the Minister's opinion of solar panel farms such as those used on the Continent? What kind of money is the Department spending to support research into them?

**Senator Paschal Mooney:** I would like the Minister to give a definitive response to the representations being made by the Independent Broadcasters of Ireland that there be a fund set up similar to that of sound and vision and that the money be taken from an increased efficiency index from An Post. I am sure the Minister will agree that it is unacceptable that the evasion rate is 20% whereas in the United Kingdom, it is only 5%. The Department must raise serious questions about the manner and alleged efficiency of An Post in collecting this. It is poor value for the €13 million the Department pays it. Will the Minister address the point made by my colleague, Deputy Moynihan, to help independent radio stations provide news, current affairs and sport which they cannot do at the moment?

**Deputy Alex White:** It is important to understand in respect of broadband, and I made this point when the capital plan was announced last week, that the figure of €275 million in the plan is part of the cost of the national broadband plan. It is not the entire cost that we foresee. I will not put a specific cost on the plan because we are about to enter into a procurement process involving bidders to ensure we get the best possible deal for the Irish public in respect of the roll-out of high speed broadband. I can confirm to Deputy Moynihan and the committee that this figure of €275 million set aside in the capital plan will be used for the national broadband plan and that we will see what the bids are when the procurement process opens, which I expect to happen on schedule at the end of this year. To answer the Deputy's question as to where we are at in respect of the plan, we have made enormous strides, particularly this year, and are absolutely on schedule to go to procurement at the end of the year.

It required a huge input. I can go through the specifics of what we have been doing this year. The question the Deputy asked me, which he also asked me in the House, was not an unreasonable one. We have been in detailed discussion with the European Commission and are driving on with all the work we are doing with the private sector, which has contributed enormously to the roll-out of broadband. There is a great deal happening.

It was mentioned that it is patchy in some areas and some people asked is there another way of doing it. This is relevant to the broader question of measurement of outputs. I am absolutely convinced that we should do this once and do it right. Nobody will thank me, wherever I am in five years' time, this committee, the Department or anybody else, if we engage in a piecemeal approach to the national broadband plan to achieve what Senator Mooney mentioned earlier and to ensure that every home and business in the State has access to high speed broadband. On our calculation, something of the order of 30%, perhaps somewhat less, will have to be dealt with through State intervention because the commercial operators will not make a profit in these areas. It is remarkable that the 30%, or of that order, does constitute something of the order of 96% of the territory of the State. Practically every farm in the State is in the amber area, I doubt there is a farm in the blue area, and broadband will be of great benefit to farming. If one was thinking about this as a road building programme, it is equivalent to 100,000 km. That is a State intervention, which is on a par with the electrification initiative of a previous generation.

**Senator Paschal Mooney:** It was done in Northern Ireland.

**Deputy Alex White:** It was not done the way we are doing it, with respect to my colleagues in Northern Ireland. Different approaches are taken and we have stated we want a minimum speed of 30 megabits per second, Mbps. I want this to be understood because some people believe the speed will be up to 30 Mbps, which is not the case. What we expect to be delivered under the national broadband plan by the successful bidder or bidders is a minimum of 30 Mbps and it needs to be future-proofed.

Under the rules, we cannot select a technology. Colleagues who are familiar with the issue, of whom there are many, will know that if this is to be done right, the technology must be able to take high-speed broadband into homes and businesses. We are engaged in achieving this. It is important to note that we have been working closely with the European Commission on this issue throughout the year and members can go through a schedule of the specific steps we have taken. I assure the joint committee that the approach we are taking is focused on doing this once and doing it right, rather than in bits and pieces. To give an example of a step we have taken this year, we addressed the new state aid guidelines which were finalised by the Commission after the national broadband plan was published.

Global demand for data is increasing dramatically throughout the world, including here, and we have increased our ambition in response to this demand. Members will have noted the introduction of a Vodafone-ESB joint venture, SIRO. My predecessor in the Department, Deputy Pat Rabbitte, introduced legislation to provide for this development and SIRO is now driving competition. In addition, investment by industry has increased significantly, partly driven by the State. The State has an intervention role and the Department is ensuring the private sector is pushing ahead. Competition in the sector is working.

Members referred to a number of forms of technology. While we are prevented from selecting a technology, to do this right it is likely that fibre will be a key part of the network build. It will also be a wholesale network and the minimum requirement, as I stated, is 30 Mbps.

We want the plan to be future-proofed. To return to the measurement of outputs, it will only ever be possible to measure the real output on the national broadband plan when somebody else is sitting in my seat. That is the difficulty. As a politician, I would like to be able to state that last week the State served X number of new premises and so forth. However, the private sector, working with the State, has significantly increased what it has done and it is being driven by the Government. For example, the number of homes and premises with access to high-speed

broadband has increased from 300,000 in 2010 to 1.3 million currently. The commercial sector will increase this figure to 1.9 million by 2020. I accept that these figures are of no benefit to those who do not have access to high-speed broadband. If, however, the joint committee wants to measure outputs, it should note the substantial increase in the number of homes and premises served by high-speed broadband. The Department will ensure the current figure of 1.3 million continues to increase.

**Deputy Michael Moynihan:** Has the European Commission approved state aid for the national broadband strategy?

**Deputy Alex White:** No, the procurement process will hopefully commence at the end of this year and the Commission's decision on final approval will be made in parallel with that process.

**Deputy Michael Moynihan:** My understanding was that Commission approval would be given in mid-2015.

**Deputy Alex White:** Pre-notification must be first provided, after which final approval will be given. As I stated, however, I want to proceed to procurement and I do not have to wait for final Commission approval before doing so. Both processes will be done in parallel to save time. The idea of delaying the procurement process until Commission approval is given is not attractive to me as I want to drive on with both processes.

On the Eircode project, I have no doubt the report produced by the Comptroller and Auditor General will be dealt with in due course by the relevant committee and the Accounting Officer in my Department. It is worth commenting, however, on the headline figures of €38 million, which was given by the Comptroller and Auditor General, and €27 million, which I gave as the estimated cost of the project. During the implementation phase, the cost of the contract was put at €27 million, with €16 million in the first two-year initial roll-out period. The bulk of this figure - €9.4 million - was spent on encoding public sector bodies' databases, with €1.2 million per annum provided for the remaining years of the contract. The difference between the figure of €27 million and the figure of €38 million relates to the inclusion of VAT, consultancy costs and internal staffing costs in the latter figure. This means the cost of the staff who were involved in the project have also been wound into the €38 million figure. I would not describe staff costs as a notional cost as we have to pay the salaries and wages of staff in the Department but they are among the additional items that make up the gap between the €27 million cost of the contract and the €38 million figure provided by the Comptroller and Auditor General. That explains the difference between the two figures.

On the licence fee, we all have our views on value for money for the licence fee. To return to the measurement of outputs and the need to be objective about these issues, we have an objective system for examining value for money in public service broadcasting, namely, the Broadcasting Authority of Ireland five-year reviews. On foot of the most recent five-year review, NewEra was asked to carry out a assessment of RTE and members will have seen the report NewEra produced. On any objective reading of the report, RTE emerges well compared with other public service broadcasters in Europe, and in its own right. There is no doubt that there has been a substantial cost reduction programme in RTE, with several hundred staff positions removed from the organisation during the retrenchment period. Colleagues may wish to consider the NewEra report when assessing whether RTE provides value for money. If I were asked directly my view, I would respond that RTE provides value for money, although there is always room for improvement in public service broadcasting. We should continue to fund

public service broadcasting, as every Government since the 1920s has done because they have recognised the value and importance of public service broadcasting.

I agree with the comments made on the unacceptable level of television licence fee evasion. I will shortly make proposals to Government to address the issue of compliance regarding the television licence fee. I accept Senator Mooney's point on the efficiency of the existing collection system. We can do some work on the database that is used by An Post and I have some proposals to make in that regard. That may not necessarily be the end of the line, however, as we have to take further steps to ensure-----

**Senator Paschal Mooney:** The collection contract should be put out to tender.

**Deputy Alex White:** I am open to any suggestions members may have. In the current period, the most important step we can take is to freshen up the database used by An Post and make it more robust.

On the commercial broadcasting sector, I dealt with this matter in recent days in discussion with Deputy Patrick O'Donovan, who is present. We have a sound and vision scheme, which is allocated 7% of the income generated from the television licence. The commercial sector is meeting a real need, especially in rural areas but elsewhere also. However, we have never before contemplated - I respect the fact that some members are proposing to do so now and I do not want to paraphrase them - the redistribution, as it were, of the licence fee across the board to the commercial sector as well as the public sector. To do so would, at a minimum, be problematic for the following reason, unless someone has a better or different suggestion. It would require the assessment of individual programmes and strands of programmes across the board in the commercial sector and, presumably, in the public sector ultimately also to determine whether this or that programme was a public service programme and, if it was, whether it should get some of the licence fee. As I said in the Dáil the other day and have said elsewhere, there are some programmes that are capable of being categorised on both sides of the ledger. Sports programming performs a public service but also attracts great commercial interest and value for the broadcaster. Senator Mooney and I soldiered in the speech programme sector many years ago and the Senator still does. A speech programme is not necessarily a public service programme in every case, but who is to say? If the listener is being entertained by it, is it not performing a public service? The definitional issue is problematic. That is all I am saying. Ultimately, it has been the policy of Governments of all persuasions and all colours going right back that the licence fee was largely dedicated to ensuring there was a robust public service broadcaster, in this case RTE and TG4. If one starts to look at redistributing those supports out of the public service and into the commercial sector on the basis of some kind of definitional approach to programmes or programme strands, one is going to give oneself a huge job of work. I accept that the fact that it is a job of work is not a good enough reason not to do it, but it seems to me that it would be extremely difficult and raise even more problems than it might solve. That said, commercial local radio performs a huge job for the listeners and communities across the country and I am prepared, as I have said we should be prepared to do, to look at ways to enhance the financial supports, or financial environment I should say, that those stations operate in, in particular the smaller, more vulnerable ones outside the main cities.

**Senator Paschal Mooney:** One way it could be done immediately would be by removing the levy and having it absorbed by the licence fee. In the case of Ocean FM with whom, to declare an interest, I do my programme, it costs €30,000 per year, a sum which would create employment. Not only that, the Minister knows as I do that the most labour intensive aspect of broadcasting is news, current affairs and sport. Therefore, sound and vision, which started off

as a great concept, is now helping the independent production sector and RTE, but is not helping the local radio sector. I appreciate that is an important sector which should not be touched, which is why I suggest that the Minister looks at some way to finance news, current affairs and sport at local level to make it more attractive.

**Chairman:** In the report that came out last week, there was a suggestion from independent broadcasters that public broadcasting could be supported and that they could get some slice of it without the public being affected. That is the solution everyone wants.

**Senator Paschal Mooney:** It would improve the evasion rate.

**Deputy Alex White:** Exactly, but on the question of the licence fee and the stock amount of funds that are there, if one was to introduce legislation to ensure the regulator was funded directly from the licence fee, as matters currently stand and short of all the things we need to do to improve compliance, one would have to increase the licence fee. I do not know if the Senator is proposing that.

**Senator Paschal Mooney:** No. Improve the evasion rate.

**Deputy Michael Moynihan:** On the last question and the €27 versus the €38 million, the Minister said there had been an increase in consultant costs to bring it up to the €38 million. Can he explain that?

**Deputy Alex White:** I said the difference between the figures of €27 million and €38 million comprised the inclusion of VAT, which was not included in the first figure, consultancy costs and the internal staff costs in my Department which were put into the €38 million.

**Deputy Michael Moynihan:** Were the consultant costs in the €27 million?

**Deputy Alex White:** The cost of consultants was €2.4 million.

**Deputy Patrick O'Donovan:** On the broadcasting remit, I welcome the Minister's presence at the committee. I have a huge concern about taking any aspect of the television licence away from An Post. I would not like it to go out from the committee that we were in any way suggesting that. The television licence represents a massive part of An Post's basic income stream. We have had an awful lot of people jumping up and down recently in relation to the Department of Social Protection's letters on diluting the role of An Post and rightly so. I would certainly not want to see that diluted any further. It would put many of our rural post offices in an even more precarious position than they are already in if there were any suggestion of moving the television licence away from An Post. The Minister could kill that here right now by saying it is not on the agenda. He would be doing everybody a favour. Postmasters around the country listening to this will be ringing the Minister, my good friend Deputy Harrington who is also a postmaster, and me to ask if it is true that the Oireachtas committee is suggesting taking away the television licence from them.

**Chairman:** That could not be further from the truth.

**Deputy Patrick O'Donovan:** The Minister could do a lot of us a favour. The suggestion was made by a member from the Opposition, but it would do a lot of us a favour if the Minister was to kill that now.

The Minister knows my views on the television licence. I never suggested a redistribution of the television licence. There is a massive anomaly in public service broadcasting funding. I

do not distinguish between RTE and the rest. If they are licensed and carrying out a function, they are public service broadcasters. They provide a service. The GNLR figures prove that. I understand that the Minister is saying that going back to the days of 2RN in the GPO, the Government always had a commitment to the public service broadcaster as defined in the legislation, but that has changed since previous Governments introduced the concept of independent broadcasting. We are way behind the curve in terms of funding. I would have no difficulty with the television licence being ring-fenced for the current use if there was a level playing field, which there is not. It is not level because of advertising and things are stacked against the commercial side. RTE is very aggressively looking for advertising in the market, which it has to do as it has to wash its own face. However, it is competing with people who do not have the €180 million cushion the Oireachtas votes to RTE by way of the television licence. That is grossly unfair.

We have had the RTE authorities in here and they evaded answering the following question. As the shareholder of the company and given his responsibility for a suite of semi-State companies from energy to broadcasting, does the Minister believe it is appropriate for a semi-State company funded on a compulsory basis by all of the citizens who are obliged to purchase television licences that there are still people working for RTE whose salaries will not be disclosed by the public service broadcaster? If it happened in any other element of public administration - the Minister mentioned NewERA - can people imagine the outcry? There would be wall-to-wall coverage from “Morning Ireland” to “Good night, Ireland” on RTE. If the salary of the CEO of Irish Water was not disclosed, there would be consternation, and rightly so. However, we have this protected species operating out of a €183 million cushion who refuse to give the level of accountability that is expected of me, the Minister and everybody else in the public sector. People in the commercial radio world and community radio world, not to mention the private sector television companies, are finding it hard to swallow that RTE will only release their salaries three years after contracts have been signed. If the Minister was to appoint a new CEO of a semi-State company tomorrow and told the Dáil in response to a question from an Opposition Member that he was not going to release that person’s salary for three years, he would be walking across the bridge to the Taoiseach’s office with a letter in his hand and it would not be tolerated. I have a simple question. Why is the Department of Communications, Energy and Natural Resources tolerating that from our public service broadcaster which is funded to that tune by the taxpayer?

**Deputy Alex White:** There are no plans to change or remove the collection role in respect of the television licence from An Post. I indicated to the committee earlier that there are proposals I will be bringing to Government on the actual database to improve it and ensure it is more robust. They are the only plans we have.

**Deputy Patrick O’Donovan:** I welcome that. It is very good news. Postmasters would be levitating with rage if the concept of putting it out to tender was there.

**Deputy Alex White:** There is no requirement for any levitation. On the question of the television licence, it is true, as the Deputy stated, that he has not advocated a distribution of the licence fee. Nevertheless, it is a corollary of the argument he is putting. The argument made by the Deputy is compelling enough, as public service programmes do not just appear on the public service broadcaster. There are programmes easily definable as public service-----

**Deputy Patrick O’Donovan:** The Rugby World Cup matches.

**Deputy Alex White:** Is the conclusion to be drawn that we should distribute the licence

fee to those stations as well? If that is what the Deputy is saying, it is a redistribution of the television licence.

**Deputy Patrick O'Donovan:** The Rugby World Cup is currently being broadcast by TV3 but it does not have a €183 million cushion. It must sell advertising and generate its revenue streams, getting into a competitive market with RTE. It must come out by winning the rights, providing a public service broadcast remit. There is a massive imbalance there. Whether this is corrected through advertising or the television licence, I do not really mind, but the *status quo* cannot remain. I do not believe anybody thinks that.

**Deputy Alex White:** I respectfully disagree with the Deputy on that point. There remains a strong case to have a robust form of funding for public service broadcasting, by which I mean, principally, the public service broadcasters. That has been the policy of every Government going back not just to the 1960s, when television was set up, but right through the period when independent radio and television was established in the late 1980s. In the years following the 1989 Act, commercial radio and television came on board and it was seldom, if ever, advocated that we should stand down or in some way change the basic proposition that public service broadcasters should be funded through a licence fee, as it is in our case. I am not putting words in the Deputy's mouth. In future, there might be a different animal in the form of a broadcast charge. That will not happen soon but it could happen if there is public acceptance of it. It is happening in other countries. I will be honest with the Deputy and the committee. I do not agree that we should stand down or reduce the funding available for public service broadcasting. My view, as Minister, is that it would be a mistake.

**Chairman:** Perhaps I could paraphrase what the Deputy and many of the members have expressed. Does the Minister feel there is a way of facilitating the concerns and needs of the independent sector without affecting the support of public service? Reports have been produced and so on. Does the Minister see some facility for a meeting of minds?

**Deputy Alex White:** The answer to the question is "Yes". One way that has been canvassed is that if, for example, the compliance rate for the licence fee could be increased, there would be a bigger fund. Could we look at a new and improved sound and vision scheme and ways of channelling money-----

**Deputy Patrick O'Donovan:** I apologise for interrupting but 50% of the existing sound and vision scheme goes to RTE.

**Deputy Alex White:** That is not the case.

**Deputy Patrick O'Donovan:** It was €3.5 million in 2014.

**Chairman:** We are getting off the point.

**Deputy Alex White:** That is not true. I was in the middle of saying-----

**Deputy Patrick O'Donovan:** It must be taken up with the Department so.

**Deputy Alex White:** -----that one could consider changing it to better facilitate the commercial sector. We are coming to the end of the lifetime of this Government in any event, so it is not something that will happen between now and next March. I am canvassing possibilities with the committee in answer to the Deputy's question. We could consider how to channel funds to commercial operators, whether that is through the existing sound and vision scheme or



a new and similar scheme. Another approach, on the other side of the ledger and as mentioned by Senator Mooney earlier, is to consider funding the regulator directly from the licence fee. That would mean the commercial and public stations would not be paying the levy. They are two practical possibilities. I have discussed the issue with the Independent Broadcasters of Ireland and I am very happy to be party to the discussion.

On the question of salaries, this must be a matter for RTE. We can all have our views and the Deputy has his view. The position relayed to me by RTE is that in circumstances where it is operating in what may not be a purely commercial environment - as noted by Deputy O'Donovan - but in the commercial market for talent, to publish the salaries in real time would undermine the company's position and make it difficult to attract and keep staff. That is the position taken by RTE and related to me. RTE publishes the salaries *post facto*, and the Deputy is correct in stating that it is done a couple of years down the road. That is the decision made by RTE and I will not second-guess it.

**Deputy Patrick O'Donovan:** Many of the broadcasters are not looking for a handout but rather a level playing field in advertising. Their advertising pool has been shrunk because a State-subsidised entity is hoovering up revenue in many cases in a very competitive advertising environment. That has been put on the table as being unfair.

With regard to salaries, if Irish Water or the HSE had to get a technological guru in the morning from an external source because the expertise is not in Ireland but the salary was not available to the Committee of Public Accounts, the Oireachtas or the Minister, a head would roll. It is an absolute scandal that there is a public service entity that is refusing to disclose what it pays staff members. If the Houses of the Oireachtas ran its business like that, one would not be able to get here through the protests outside. There is an absolute unfairness about this. It is a double standard as these are the same people who sit in judgment of the semi-State companies, the Houses of the Oireachtas and everybody else. That is grossly unfair.

**Chairman:** The Deputy has made his point and we will park it because we are meant to be discussing the Estimates. In fairness, the Deputy has consistently made that point at the committee.

**Deputy Patrick O'Donovan:** I am waiting to see it reported.

**Chairman:** Perhaps you have given the cue.

**Deputy Patrick O'Donovan:** I doubt that.

**Deputy Michael Colreavy:** I will wander back to part one of the meeting, if the Chairman does not mind, although the issue arises in part two. There has been much expenditure on management and information technology consultancy and so forth across all headings and all Departments. I am concerned about it. If we looked at the New Zealand model of outcome evaluation, the issue I want to raise would not have feet. We must bear that in mind.

It appears that Departments are overly dependent on management consultants. Eircode is an example. I know that will go before the Committee of Public Accounts and that is the relevant body. I, and others on this committee, have raised several concerns on different occasions that management consultants had taken control of that project. I see that management consultants are now involved with the continuing development of that project. I described this phenomenon as the equivalent of a hostage beginning to empathise with hostage-takers. What system or process is used to evaluate the Eircode project and others similar to it? What system and

process is used to monitor changes and expansion of those projects that are instigated by management consultants? Without casting aspersions on any particular firm, it benefits management consultants if they can expand the scope of a project in which they will have a continuing involvement.

We have excellent public servants who are educated and skilled people. Why not train them? If necessary, they could work as part of a project team with management consultants. Such an initiative would wean us off our dependence on management consultants. I am not just referring to the areas for which the Minister is responsible. The initiative should be applied on a Government-wide basis and I ask him to comment. I am sorry for straying back to the first part of our discussion.

**Chairman:** That is okay.

**Deputy Michael Colreavy:** On communications, one of the concerns people have was confirmed by the Minister for Public Expenditure and Reform, Deputy Howlin, in reply to a parliamentary question I tabled. Of course, I already knew the answer to the question before I asked it. All of the plans relating to the roll-out of national broadband - my PQ referred, in particular, to the roll-out in more rural areas - are predicated on the economy doing well. People in rural areas are concerned that, once again, the towns and cities will be considered. However, if China, the US, the EU or some other large nation or bloc hiccups economically, lo and behold, the funding will no longer exist to bring state-of-the-art broadband to the more rural areas. I have argued all along that rural areas should receive broadband side by side with the cities and towns. Distrust exists and people are worried that the planned roll-out is predicated on economic performance.

We need joined-up thinking when it comes to energy. The SEAI provides grants in respect of the installation of energy boilers, radiators, etc., but a person can get all of that work done in a house where the doors are hanging off the hinges and the windows are broken. People often cannot get their doors and windows replaced. We should do an awful more to improve energy efficiency, particularly for people who cannot afford such measures. We must examine the true cost of every energy development project for the customer - the person who will use the energy - and for taxpayers as well. There is so much energy that everything must be proofed against affordability for the customer in terms of energy.

In the context of natural resources, I am sure that the Minister is aware of the many concerns about the EPA's study on hydraulic fracturing. I am sure he is also aware of the concerns many of us harbour with regard to continuing to let companies hold on to the forlorn hope that fracking will somehow be allowed to take place on this beautiful little island in the Atlantic. In many cases, we are giving the companies an opportunity to take a legal action against this State and that will cost an awful lot of money. Such a situation has already arisen in Canada, where energy companies have taken the Government to court on the basis that its policy deprived them of accessing quantified resources. Ireland is paying to have some of this quantification done for energy companies. Those companies could use the relevant details to take more money off the Irish people. That is a major mistake and we need put a stop to what is going on.

The final issue to which I wish to refer is inland fisheries. We have reached the point, in terms of resource allocation to inland fisheries, where access to waterways and amenities is being damaged and perhaps beyond the point where it is economically feasible to repair it. I know about this matter because I have spoken to a number of people who work in the sector. The sector does a great deal of work that benefits tourism promotion. We need to be careful that

even while ensuring that there are efficiencies, we do not damage the very product the sector provides.

**Deputy Alex White:** In terms of consultancy, I have some sympathy with the generality of the remarks the Deputy made in respect of consultants. At a certain period in our history, there was a proliferation of consultancy across the public service. I think consultants should only be used when necessary.

**Deputy Michael Colreavy:** Yes.

**Deputy Alex White:** We should only bring in consultants to work on public projects when we do not have the necessary skills within the Civil Service. I do not travel much but I travel a little and I have spoken to Ministers in other countries about broadband. No matter what a person's view is, broadband is a major infrastructural project. That project is being managed within my Department by a relatively small group of highly-motivated and professional people under the leadership of Ms Katherine Licken, the assistant secretary in charge. These people in my Department plug away, day in and day out, working on this exciting and very important project for the Irish people. Yes, we must have legal consultancy, economic consultancy, technical consultancy and so on but we keep it to the minimum that is required. We ensure that we can put together all of the pieces to ensure that the project is delivered for the Irish people. The project is led and managed by civil servants who are doing a terrific job. I witness their dedication day in, day out and some of them are here with me today.

I wish to comment further on consultants. Sometimes there are projects that are relatively short lived and that require certain skills. I might sound a little harsh when I say that they are not skills that will be required after the project has been completed. In other words, the project requires specific skills and once it is completed, there is no longer a need for the skills. There is a case for bringing in people, either consultants or otherwise, for that kind of work but demand should be kept to a minimum. It is policy and it is our approach to keep the necessity for such people to a minimum. As far as possible, we confine it to where the appropriate skillset is unavailable. There is no question of outside consultants taking control of public projects. It is not happening and could not be countenanced. For example, Eircode has a project board and civil servants, including senior ones, are closely involved with it. There is not even a remote risk of the scope of a project being expanded in the interests of an outside body-----

**Deputy Michael Colreavy:** I disagree with the Minister.

**Deputy Alex White:** -----if that is not consistent with what the State or the Government wants.

**Deputy Michael Colreavy:** I disagree. There is no evidence to support that.

**Deputy Alex White:** If the Deputy wishes to discuss a specific example with me now or in the future, I will happily do so, as it would be a matter of concern, but it is not happening in the case of Eircode or otherwise. Eircode is under the management and leadership of my Department. Its expenditure and so on can be scrutinised by this committee of the public accounts committee as appropriate.

As regards the broadband plan, I agree with Deputy Colreavy on servicing rural Ireland. That is what we are doing. Were we to leave this to the private sector, rural Ireland would not be serviced because there would be no profit to be made. There is a continuing debate on the State, its role and when it should intervene in economic matters, but this is a perfect example

of a situation in which we should agree that there ought to be a robust State intervention-----

**Deputy Michael Colreavy:** Yes.

**Deputy Alex White:** -----where the commercial sector will not deliver what needs to be delivered for the people of rural Ireland. We are doing that. The Deputy stated that the projects should be done side by side. The national broadband plan, with its 30% or whatever it ends up being and the 96%, is a large undertaking. It is not realistic to assert that we should be rolling out services in rural areas in parallel with commercial operators' roll-out in cities. It cannot work that way. We must undertake this work as a whole project. We must plan, get our ducks in a row, get state aid approval from the Commission, set up a procurement process and ensure that the legal, economic and technical elements are correct. We are undertaking this as one project for rural Ireland whereas the operators have different commercial interests. For example, some are legacy operators that already have kit in the ground. They operate at different levels and paces whereas we are undertaking one large project. That is the right way to do it. Whoever is sitting here in five or even three years' time will not be thanked if this project is not undertaken as comprehensively as we have planned.

I agree with the Deputy regarding energy poverty. We have energy poverty. I attended a good conference on this matter a few mornings ago. We have the better energy warmer homes scheme. In terms of energy use, it is important that people's homes be warm and properly insulated. Retrofitting is a key element in what we need to do. If it is done right, it only needs to be done once. It can transform energy consumption in homes. The Deputy was right in his comments. He mentioned circumstances in which people had few resources as well as structural issues with their homes' doors, windows, etc. Such factors must form part of an holistic approach to energy efficiency and eradicating as best we can energy poverty.

**Deputy Michael Colreavy:** Does the Minister propose to do something about that issue?

**Deputy Alex White:** Absolutely. We have just received an extra €130 million under the capital programme for energy efficiency measures to be taken over the next period. I will ensure that as many resources as possible are targeted at homes and citizens who are in energy poverty.

**Deputy Michael Colreavy:** Will that be over and above the current schemes?

**Deputy Alex White:** I will not provide specific details on schemes today, as I will be making a number of announcements in the coming weeks on how we view energy efficiency programmes developing in the coming period. It will be of interest to the Deputy to know that, before the end of the year, I will publish an energy affordability policy, in which respect we have consulted extensively this year. It will draw together all of the strands of the issues that the Deputy raised. It will be a good policy document and point the way towards addressing these issues.

The anticipated number of projects grant aided in 2015 will be of the order of 17,683. That is reasonable progress. I am not trying to argue with the Deputy on this matter, though, as he is right to seek to prioritise it.

On the question of the Environmental Protection Agency, EPA, study, all I can say is that I note the Deputy's concerns. Surely it is better to have specific information on what is happening and what the critical issues that we will have to address will be when we come to consider this question. I do not view information gathering as constituting a risk of litigation against the

State. We need to examine these key research questions and understand the scope of the issue before any decision is made. I will grant no consent prior to us knowing and understanding the research's output.

Something in the order of €130 million in the past five years has been Voted in respect of inland fisheries, including almost €25 million for 2015. We have agreed with the Department of Public Expenditure and Reform to increase staff numbers, which will be of help, as it is needed. This matter was raised with me by others as well. There must be proper resourcing. Inland Fisheries Ireland, IFI, has a recruitment process under way and this will address some of the issues, but we will keep an eye on the situation.

**Deputy Noel Harrington:** I will touch on a few issues. Reference is made in the subhead briefing on A3 to the national broadband scheme. Is that the old scheme? What remains of that scheme? We wait with great interest to see how the procurement process for the new national broadband plan evolves. We can be certain of a few aspects, but the point to which the national scheme will match what the private sector delivers to homes in terms of high-speed broadband is not clear, given evolving technologies and so on. It is easy to identify those rural and peripheral areas that the private sector will not touch in even the next 20 years. I fear that there may be a blurring of lines, in that the private sector might invest in an area in the next three or four years if conditions suit but, in the meantime, we will forge ahead and spend public money to deliver the scheme. We should identify the most peripheral areas, for example, our islands. If we are serious about delivering high-speed broadband to every household by 2020, it is a safe assumption that the private sector will not go near the islands. As such, would it not make sense to start there first, move in and meet the private sector somewhere in the middle? I understand that the tender process is ongoing and that issues might arise but the matter should still be addressed.

The Minister for Education and Skills, Deputy Jan O'Sullivan, has announced the digital strategy for schools and I presume the Department of Communications, Energy and Natural Resources will also have an input into that very welcome initiative. Hopefully, we will see up to €50 million of grant aid being taken up and disbursed among all schools nationally. Some schools will have a better ability to do it than others, which is a real issue and something that must be examined.

A very specific area mentioned within the document, at subhead A3, is funding set aside for the Galway-Mayo ducting. I am to correction but I think this refers to a new high-speed transatlantic cable from Killala to Dublin and, perhaps, further afield. My information is that it is being held up in the Department for longer than should be the case. I am very keen for the matter to progress to the signing of contracts by local authorities, the Department and the private company delivering the project. It is a project of significant national importance and it must be expedited.

I refer to the online trading scheme under A5. I presume that is the online voucher or assistance the Department will provide to companies to upgrade their information systems. We saw a very good example of how that has worked in conjunction with a community in Skibbereen. The Minister was present at the launch. The community, with some assistance from the Department, has plans to be the first 1 GB town at least in Munster and, I think, excluding a pilot project Cavan, in the country. It is a welcome initiative and one that can act as a driver for other communities with an example of what can be done.

I raise a minor issue on subhead C3 in respect of SEAI grants, which are very welcome. Is the Minister satisfied with the ratio in the budget of administrative to grant funding? There is

a budget on the administration side of €7 million for pay and non-pay with grants in the region of €50 million. While it is a really a matter for the SEAI, does the Department have a scrutiny role in respect of the contractors recommended by the SEAI? In a very small minority of cases, they are, frankly, not up to the job notwithstanding which they continue to be recommended by the SEAI. Has the Department engaged in any consultation with SEAI on sanctioning those contractors who have taken public money and failed to deliver a service to the client?

A discussion on the following has been awaited for some time. Does the Minister have an update on the future of the Whitegate oil refinery? It is a very significant issue for the country and, in particular, those in the east Cork area. Is a decision imminent on Government funding for Whitegate?

**Deputy Alex White:** The national broadband scheme largely comprises the MANs. We can certainly fill out some of the detail on that for the Deputy if he wants, but it is what we are dealing with in respect of the national broadband scheme as opposed to the national broadband plan, which the Deputy then went on to discuss. The approach of identifying areas which there is no question of the commercial sector ever attending to is exactly the one we have taken. The mapping exercise we undertook and the map we published in November 2014 showed where we judge it will be necessary for the State intervention to occur. That refers to the so-called amber area. On the coloured map, blue will be the private sector in its many manifestations and amber is where we judge we will need to go. It is important to emphasise that we do not make those decisions based only on the private sector saying “Hey, this is what we think we will and will not do”. A big part of our work is assessing that and the validity and reliability of information furnished to us by the private sector on its plans. I was asked earlier what the Department was doing and that is one of the big things we have to do week in and week out. We make judgments on it and meet with the commercial sector operators before sending them back to get more information in order to understand all of the information available, apply our own judgment and then map it.

We had a public consultation on the map and are now updating it. People may ask why. We are updating it to take into consideration new information received or operator announcements that have been made in respect of new plans for 2016 and beyond. When I was addressing Senator Mooney earlier, we talked about the 30%. I said there was a possibility that the 30% figure could reduce. That is the process we are engaged in. It may not reduce substantially, but we think it might reduce somewhat. We will then be able to show the committee a somewhat reduced amber area in terms of the State intervention. When the Deputy says there are areas that could never be the subject of questioning, he is right. The problem is that this is a whole project that will go to procurement. There will be a somewhat complex tendering process in terms of how operators will indicate they can deliver this minimum of 30 MB right across the contract area. As such, it is not really possible for us to do this by dividing it up into small units. We cannot say we know this particular island is never going to be in the blue area so let us get going with it. It is just not amenable to being done that way, it must be done as a single project.

**Chairman:** Eventually, when the tender is awarded, there will be a discussion on where to begin.

**Deputy Alex White:** That is exactly right.

**Chairman:** What influence will the Minister of the day have?

**Deputy Alex White:** What we want to do is approach it in a way that is technically feasible

and economically viable. As such, we want to hear from the bidders what are their offerings in respect of it. That will be part of the bidding process.

I thank the Deputy for what he said about the digital strategy for schools, which is very progressive. My colleague, the Minister for Education and Skills, Deputy Jan O’Sullivan, is launching it this morning. I would have been with her but for the fact that I am here with the committee, which I am delighted to be. My Department has had an extensive involvement in the project with the Department of Education and Skills. As colleagues will know, we have also been involved previously in a national roll-out of 100 MB to post-primary schools across the country in a very successful project. We see the necessity of primary schools having the same access, but it is something we must deal with in the context of the project we are engaged in and which we have just been discussing. Education is an area where huge value can be derived from high-speed broadband. We recognise that and will ensure that it is provided.

We have been progressing the Galway-Mayo project. There are some issues although not by way of unnecessary delay. There are some technical and legal questions we are nailing down at present. I am very conscious of the importance of the project. As the Deputy knows, Bord Gáis Éireann constructed 130 km of telecommunications duct on our behalf alongside the gas pipeline from Galway to Mayo, and there is another spur to the outskirts of Castlebar and Westport. We are on to it. We do not want to see it delayed, as the Chairman will be glad to hear, and we will progress it as soon as we can.

The Deputy mentioned online trading. The voucher scheme is working very well. There has been a great take-up and huge interest in it.

I agree with him about the Skibbereen project, and I was happy to attend its launch in August. The Deputy is right. It is a very good example of what can be achieved elsewhere in the country. It is a real beacon. I wish them well and we will certainly want to assist them in any way we can.

On the Sustainable Energy Authority of Ireland, SEAI, there is a quality assurance and disciplinary process in place. It is managed by the SEAI, not by the Department. I am advised this process is backed up by an inspections regime that ensures that a minimum of 10% of the works carried out under the programme are inspected for quality control purposes - there cannot be an inspection of it all - and that each contractor who performs work on the schemes is covered. If the Deputy has concerns they should be relayed to the SEAI, but we do not administer the scheme directly in the Department.

On Whitegate, I met with the owners and management of the Whitegate refinery. It is a decision for them. It is a fully commercial body in terms of that refinery. I have met both the local management and the US management on it. It would be my earnest hope and desire that they would continue past the cut-off point in the middle of 2016, which they have contracted to do.

There are no proposals for any State investment or supports in regard to Whitegate but I assure the Deputy it is something of which we are very conscious. It is a very important employer, to say nothing about the strategic implications of Whitegate, and we hope the decisions the company will make next year will be positive.

**Deputy Michael Fitzmaurice:** I welcome the Minister. Deputy Calleary raised the installation grants and replacement of windows and doors. It is fine to insulate a house but as they say down the country, “You’d winnow oats through some of the doors”. What is going on is

stupid. Councils are refusing to give grants for the replacement of windows and doors when someone is insulating the rest of the house. That is defeating the purpose of the scheme, and it must be urgently addressed. Some councils are providing grants for windows and doors and more are not. If common sense does not prevail on that, we are achieving nothing.

I welcome the Minister's comments on An Post because the viability of An Post is very important to rural parts of Ireland, and indeed all parts of Ireland.

The Minister spoke about broadband provision. I was not long a Member last February or March but it is my understanding, and I do not believe I misheard him, that the Minister said a document was being prepared and would be sent to Europe so that he could be given the go-ahead for subsidising the provision of broadband. He told us it was going in June. He informed us also that we would have word in October-November as to the go-ahead for that but, now, the Minister spoke about running things in parallel, which is totally different from what I understood the Minister to say a few months ago. He is talking about the procurement now and getting the go-ahead from Europe. That is totally different from what I understood a few months ago.

I note from the paperwork the EU target by 2020. A target does not give one a definition of whether one is delivering or not. A target is a target. We want closure on broadband through the country. We want solid dates at this stage. I understand it is a large task. The Minister talked about his new staff being enthusiastic, and it is great to hear that, but did he bring in those new staff within the past year or two because I am not familiar with the position or are they employed ten or 12 years? What has been done for the past ten or 12 years? Why has this not been delivered before now?

ComReg produced a report during the summer. I rang ComReg because some of what was contained in it was highfalutin, referencing the great increase in the provision of broadband here and there, but a black spot is a black spot and people in them still do not have it. That is the simple fact.

I welcome the State intervention. I understand some companies will not move into areas but how will we control that process? Private companies will tender for this contract. How will we control that down the road? We will have put money into this process. The reality is that people in rural parts of Ireland cannot even get phone coverage. There is no one to ring. One can send e-mails to everybody but no one seems to answer them. How can we ensure in the future that someone who supplies this broadband and is subsidised by the State is accountable to fulfil what they undertook to fulfil at the outset?

The Minister said he is trying to do it all together but if someone is building a house, they draw a plan elevation and in view and have a structure in terms of where they are going. Have we anything to say that this is a hub for the west and this is the way we will cover each and every area, and the same in the east and the south? The impression I am getting, and I may be picking it up the wrong way, is that we will have private operators who will come in the door and tell us what they intend to do. We will then look at the parts they will not do and subsidise that part. We need a strong plan in terms of where the hub for the west and the east will be located and how quickly that will be provided. Will the Minister give an undertaking that if there are areas that are black spots, and some area has ten or 15 MGS currently, he will give priority to those black spots because they will never lift off the ground if they are left, as the saying, on the hind teat?



On energy, Bord na Móna made a big announcement during the week that it is moving away from peat for energy but I believe it has no plan. An announcement has been made and from what I understand, we are looking at palm kernels from South Africa, which will mean money going out of the country again. What does the Minister intend to do about that?

We welcome a budget for inland fisheries. We welcome the provision of more staff but problems are being kicked around, and I refer to the Asian clam in Lanesboro, and the State agencies are passing the book to someone else and saying it is not their job. At the end of the day, tourism is taking the hit for that. I urge the Minister to encourage the inland fishery owners to sit down with different bodies. There should be joined-up thinking on this matter. I propose that Department representatives would sit down together at least once a month where they would focus on the same or similar issues and try to work together because in some cases the right hand does not know what the left hand is doing.

**Deputy Alex White:** On the implementation strategy for national broadband, what I said earlier this year, and I want to make it clear, is that all of the timelines we have set regarding the national broadband plan since the middle of last year when I came into this job have been complied with. For example, we said earlier this year that we would have the implementation strategy. The mapping was this time last year. We said we would do it in November; we did it in November. We then said that we would have an implementation strategy in place by the middle of the year - June or July. We did that. We said that we would then engage in a pre-notification process to the European Commission, and we did. The Commission is working closely with us. In fact, my officials have confirmed that the Commission is satisfied with the way we are progressing matters. However, there is no way that the Commission is going to be in a position to give a final sign-off on state aid approval until it considers the matter in the necessary detail, and we never thought otherwise.

**Deputy Michael Fitzmaurice:** When will that be?

**Deputy Alex White:** The procurement process will go ahead, as planned, by the end of this year in November or December. I had a schedule of state aid approved by the Commission for various projects throughout Europe. The timescale varies and that is one of the problems we have to address. It is not certain. The Commission will examine the matter. It could do so in a period of two or three months or it could be a little longer. I simply do not know. We are somewhat in the hands of the Commission in terms of how quickly the officials there get back to us. I had a schedule with me at one stage, although I do not have it with me today. It shows a spectrum of decision-making speeds from the Commission. Some are rather quick and some take a little longer. I would aspire to it happening by the middle of next year, certainly.

**Deputy Michael Fitzmaurice:** Let us suppose the Minister allowed himself some wiggle room with the procurement. Are we to take it the date will be in January, February, March or April? What month next year will it be done by? The Minister might allow himself a little wiggle room. At what stage will the procurement be done, given the general routes of the Commission at the moment and the fact that Minister has said that they vary here and there? No one is tying the Minister down to a date, but what is his best estimate?

**Deputy Alex White:** It will be done by summer 2016. I have been fairly accurate in the estimates I have given to colleagues up to now. I imagine it will be by midyear.

What are the solid dates? 2020 is a solid date in terms of completing the entire project. We brought a new date into play recently, which is an improvement on what we had been saying.

We are saying everything will be completed by 2020. In addition to that commitment we are saying that 85% will be done by 2018. That is an additional milestone - I will not use the word "promise". In this business, we should not use the word "promise". Anyway, that is a realistic target in my view.

I appreciate the frustration. The Deputy asked me what has been happening all these years. One thing we discover when we examine this in detail is that the ambition has been scaled up in terms of what we are doing. Previous undertakings by previous Ministers were given in good faith based on where they were at the time but they were nothing like as ambitious as what we are discussing now. We are talking about delivering this to every home and business. We are talking about high-speed high-quality broadband. All of the previous undertakings given at various stages were offered in good faith based on the information and the level of technological advancement at the time. This is the most ambitious that we can conceivably be. I have discussed the matter with people from other countries and I believe this is the top of the line in terms of what we are going to deliver for the people, particularly the people of rural Ireland. We need people to keep faith with us. We must hope that whoever is in the next Government and whoever is in this job will pick up the baton immediately and ensure that this is driven home. We need the continuity and commitment. We need the continuity that cross-party support for this project can ensure. I say as much as a personal point. We could do without any delays next year, when there will be a change of government.

Reference was made to controlling the situation. This is a contract. People will not be paid until they do the job. That is how we control it. Unless a service provider is delivering high-speed broadband the organisation in question is not going to get paid. That is the best control we can possibly have.

Can we prioritise different areas? Yes, we can. Let us consider the Chairman's remarks earlier. In the bidding process we can nail down some of the issues about where the successful bidder will go first or what order of work the successful bidder will plan for. We can weave into the bidding process a certain amount of prioritisation. That relates to Deputy Harrington's point earlier as well.

There was a question relating to peat and bioenergy. The Department produced and published a bioenergy plan in 2014. I have had close contact with Bord na Móna in respect of its plans. In fairness, the company has an impressive plan. The plan is to migrate from the traditional activity, which was the burning of peat, to being a real leader in renewable energy in the areas of biomass, solar and wind. Bord na Móna can use its extensive land bank to facilitate the development of the portfolio of renewable energy. I met representatives of the company recently in Newbridge and I see them regularly. They keep me informed on their plans. Under the leadership of the chairman, John Horgan, and the new chief executive, Mike Quinn, I believe they are making great strides.

**Chairman:** Thank you. We have had a long morning. I thank you, Minister, and your officials for engaging with us fully in the processes and performance indicators and so on and for answering the questions.

The joint committee adjourned at 12.15 p.m. until 2.30 p.m. on Wednesday, 15 October 2015.