

# DÁIL ÉIREANN

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## AN ROGHCHOISTE UM CHUMARSÁID, GNÍOMHÚ AR SON NA HAERÁIDE AGUS COMHSHAOL

### SELECT COMMITTEE ON COMMUNICATIONS, CLIMATE ACTION AND ENVIRONMENT

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*Dé Céadaoin, 21 Márta 2018*

*Wednesday, 21 March 2018*

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Tháinig an Roghchoiste le chéile ag 1.30 p.m.

The Select Committee met at 1.30 p.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	
Timmy Dooley,	
Seán Kyne (Minister of State at the Department of Communications, Climate Action and Environment),	
James Lawless,	
Michael Lowry,	
Denis Naughten (Minister for Communications, Climate Action and Environment),	
Eamon Ryan,	
Bríd Smith,	
Brian Stanley.	

Teachta / Deputy Hildegard Naughton sa Chathaoir / in the Chair.

The select committee met in private session at 1.35 p.m., suspended at 1.40 p.m. and resumed in public session at 1.45 p.m.

## **Estimates for Public Services 2018**

### **Vote 29 - Communications, Climate Action and Environment (Revised)**

**Chairman:** Members are reminded of the long-standing parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or an entity by name or in such a way as to make him, her or it identifiable.

This meeting has been convened to consider the Revised Estimate for Vote 29 - Communications, Climate Action and Environment, which was referred to the select committee by order of the Dáil on 14 December 2017. The gross allocation for 2018 which includes a capital carryover of €6 million is €587 million. I welcome the Minister, Deputy Denis Naughten, the Minister of State, Deputy Seán Kyne, who will be joining us shortly, and their officials whom I thank for the briefing material provided which has been circulated to members of the committee. I thank the Minister and his officials for the open and constructive dialogue with the committee secretariat in developing the briefing document for the meeting.

The committee has agreed to proceed programme by programme. At the outset of the consideration of each programme, I will ask the Minister or the Minister of State to give a high-level overview of it, including the pressures likely to impact on the Department's performance, and related expenditure in 2018. Members will then be invited to put their questions about particular subheads. I will refer to the briefing document prepared by the committee secretariat to guide our consideration of the Revised Estimate. We will start with programme A, communications, which is dealt with on page 7 of the committee secretariat's briefing document. The programme comprises 75% of the Vote's adjusted gross allocation. I invite the Minister to make a short statement on it.

**Minister for Communications, Climate Action and Environment (Deputy Denis Naughten):** I welcome the opportunity to meet the committee to discuss the 2018 Revised Estimate for my Department. I am joined by my colleague, the Minister of State, Deputy Seán Kyne, who has responsibility for natural resources and digital services development. I am also joined by my officials, Mr. Brian Carroll, assistant secretary with responsibility for climate action and environment; Mr. Ciarán Ó hÓbáin, assistant secretary with responsibility for the communications division; Ms Rebecca Minch, principal officer, energy efficiency and affordability division; Mr. Denis Maher, principal officer, inland fisheries division; and Jim Whelan, assistant principal officer, finance unit.

The total provision for my Department in 2018 is €587 million which comprises €215 million for capital investment, inclusive of a capital carryover from last year of €6 million, and €372 million for current spending, of which €222 million represents a pass-through of television licence receipts. During 2018, my Department will progress projects in a number of areas of strategic national importance, encompassing climate action, energy efficiency, communications, broadcasting, the environment, waste management, natural resources and inland fisheries. A number of the strategic investment priorities identified in the national development plan are

directly relevant to my Department and its agencies.

I will highlight some key projects and policy objectives to be progressed this year. Delivering a connected economy and society is a key priority for my Department. Commercial investment continues to improve and expand the breadth of broadband and mobile telecoms services available in the State. Complementing this commercial investment, the State is committed to investing through national broadband plan intervention in the delivery of a future-proofed network to support high quality affordable broadband services in those areas where a commercial investment has not been demonstrated. Fast, secure, high capacity digital connectivity will underpin balanced regional development, allow new businesses and services to emerge and increase Ireland's competitiveness and attractiveness as a place in which to live and do business. Under the national digital strategy, there will be continued support for digital adoption measures to enable small businesses and citizens to realise the full social and economic potential of the digital world. Facilitating a secure and safer Internet environment for citizens, businesses and critical infrastructure providers is essential. The National Cyber Security Centre which plays a key role in securing Government and critical national infrastructure and data will be strengthened.

Climate mitigation and adaptation are cross-cutting priorities for the Government. My Department will continue to progress the climate action agenda in line with the whole-of-Government national mitigation plan. This year, the focus will be maintained on achieving targets in the areas of renewable energy and energy efficiency to combat climate change and contribute towards the achievement of Ireland's 2020 targets. The development of renewable energy sources across the electricity, heat and transport sectors will be critical in Ireland's transition to a low-carbon economy. Increased investment in energy efficiency upgrades in the residential, commercial and public sectors is a central plank of Ireland's action on climate change and will deliver significant energy savings. Decarbonising the built environment is the most effective way to tackle climate change. Energy efficiency measures will also realise benefits for air quality, health, social inclusion and business competitiveness, all of which will make a real and positive impact on people's lives. The roll-out of the support scheme for renewable heat aims to support the replacement of fossil fuel heating systems with renewable energy technologies. The continued incentivisation of the uptake of electric vehicles will further support the transition to a low-carbon economy.

The sustainable management of waste and improved resource efficiency are critical. In the environmental area, the Environmental Protection Agency will continue to deliver on its research commitments and meet its expanded role regarding ambient air quality, noise and non-ionising radiation monitoring, as well as a significant climate action agenda. Continued investment in INFOMAR and TELLUS geo-environmental mapping projects will provide reliable geoscience support, underpinning the sustainable development of Ireland's natural resources. I am happy to discuss the Estimate with the members.

The focus of programme A is to support economic growth, jobs, competitiveness and social inclusion through a range of policies and regulation designed to facilitate a more digitally connected economy and society. It provides for investment in next-generation broadband networks, promotion of the use of digital technologies by citizens and businesses and support for digital entrepreneurship. The Estimate for programme A includes funding of €15 million to finalise the tender process for the State-led intervention to bring high-speed connectivity to all parts of Ireland where there is no existing or planned commercial network.

The programme also supports digital adoption measures such as the trading online vouch-

er scheme, the school digital champion programme and the digital skills for citizens training scheme. A sum of €3 million will be made available this year for the trading online voucher scheme to support a further 1,500 small businesses to trade online. By the end of 2017, over 4,100 small businesses had successfully applied for trading online vouchers and over 10,600 businesses in total had benefited through participation in training sessions delivered by the local enterprise offices under the scheme since it began in 2014. Under the digital skills for citizens scheme, community and voluntary organisations will receive funding of €2.2 million to deliver ten hours of free digital skills training to 25,000 people who have never used the Internet.

Programme A also supports growth and innovation in digital entrepreneurship through the Digital Hub Development Agency and the National Digital Research Centre. The 2018 Estimate includes €1.8 million for Eircode postcodes and €2 million in operational funding for the National Cyber Security Centre for the protection of critical infrastructure and Government networks.

**Chairman:** Regarding the Department's expenditure of €15 million under subhead A3, pertaining to the information and communications technology programme, the development of next-generation broadband is covered. There is provision for expenditure of €19 million this year. Could the Minister elaborate on the main outputs? What is the State getting in return for this expenditure? Before the Minister responds, I will bring in a couple of my colleagues.

For the information of members who have recently joined us, we are just dealing with programme A, which relates to communications. When members are asking questions, they should name the relevant subhead. I refer them to page 7 of the briefing document provided by the secretariat.

**Deputy Timmy Dooley:** With regard to subhead A3, the Minister stated, in the context of programme A, that €15 million is included. That is not new money. That was in the original Estimate. Is that not correct? As a result, there is no change. The only change is that there is almost €1.5 million less to be spent than was originally estimated, if I am reading the Minister's communication correctly. The 2017 Estimate was €20.49 million and the figure for 2018 is €19.04 million. Therefore, less money is being spent than was projected. Reading the communication, one would believe there is an extra €15 million. This speaks to the point about how serious the Department is in terms of rolling out high-speed broadband. I agree with everything the Minister said in his introduction but we are still no further on. I recall the same process last year. Perhaps the figure was €5 million at the time. We are still progressing through. I do not want to rehash the debates that the Minister, others and I have had the time out of number but there is nothing in this Estimate that would lead me to believe there is a greater level of activity. Perhaps the Minister could bring us up to speed on the current position and reaching a conclusion with the one remaining bidder.

Since the decision was taken by Eir, I am sure the Minister, like me, has met plenty of people who cannot understand why it is taking so long to get high-speed broadband. They are deeply concerned about the potential delays and want to see the matter brought to a conclusion as quickly as possible. In that context, could the Minister outline the current position?

There are some savings on staffing. There is also a projected reduction of €654,000 regarding multimedia developments. How did that come about? There are some savings on administration.

**Deputy Brian Stanley:** Are we starting on programme A or may we ask about any of the

programmes?

**Chairman:** The Deputy may ask any question on programme A, communications.

**Deputy Brian Stanley:** That is all right. I wanted to clarify that first.

I thank the Minister, and I also thank the officials for preparing the documents.

**Chairman:** If the Deputy referred to the subhead, that would be great.

**Deputy Brian Stanley:** I am referring to programme A. Overall expenditure on communications has decreased. The trading online fund has decreased. Is there a reason for that? What supports are in place for small businesses?

I welcome the fact that the online trading voucher scheme output has increased. The targeted output for this year is 1,500. That is welcome but the amount of money is relatively small. As we know, the volume of trade online is increasing. Small businesses need more supports. Many of them are in the regions, where we are trying to develop jobs. The Minister might indicate why the expenditure is down.

With regard to the €15 million for the national broadband scheme, my first concern is about the timeframe. The funding is also an issue. The Minister told us previously there was a staff of 80. How far will the €15 million carry us this year if the procurement is not secured until November or December, for example? Is it adequate? The concern is over whether it is being given enough priority because we are down to one bidder. The project is obviously long overdue. We have rehearsed the matter of the delays time and again. The funding seems to be modest. Is it sufficient? How far will it carry us this year? The longer the process goes on, the longer 80 salaries will have to be paid, along with the legal expenses and associated ancillary payments.

**Deputy James Lawless:** My question is on digital security and the National Cyber Security Centre. Is that under heading A?

**Chairman:** On communications.

**Deputy Denis Naughten:** Yes.

**Deputy James Lawless:** I thank the Chairman and the Minister. I had not had a chance to review the figures. In his opening remarks, the Minister said that the National Cyber Security Centre is to be strengthened, which is very welcome. On the Channel 4 documentary on Monday night, the UK Information Commissioner, whose office has a role slightly similar to that of the centre, said she was unresourced to tackle cybercrime, social media issues, etc. She had to talk about getting a warrant a day or two after the event although Facebook was able to go in that same night, apparently. Nobody can quite understand how that happened. I would hate to see the same happen here because of a lack of resources and support.

We know local authority and public websites have been hacked. The Houses of the Oireachtas website was taken down about a month ago because of a cyberattack. Therefore, a national cybersecurity centre is very much needed. We also saw what we might have thought was a plot from a James Bond movie but which is becoming real. FSB agents based in Dublin were targeting multinationals based in Dublin. Many of those companies have expressed concerns regarding this type of development. There is a directive to be transposed - the EU information security directive but I am not sure what the position is in respect of it. Perhaps the Minister

could provide an update.

In the same vein and very much related, we heard concerns in the House yesterday and again today on the social media issues pertaining to online campaigning, the Cambridge Analytica data mining, the use of social media platforms using information malevolently or lending it to other actors to use it in that way. I had legislation before the House, the Online Advertising and Social Media (Transparency) Bill, which would tackle many, if not all, of these issues. In the context of the Estimates, I understood from the Department that a money message was required for that Bill to be progress. I hope all parties now agree that the Bill is important and that it tackles many of the issues that have been raised and over which concern has been expressed in recent days. Earlier, the Taoiseach said that there were some technical issues. I am happy to work with the Minister and the Government on refining those issues if that is the case but I ask for the Minister's support to bring the Bill to committee as soon as possible. If a money message is required, let us address it today in the Estimates.

**Chairman:** I appreciate where the Deputy is coming from but today we are dealing with the Estimates and outcomes and outputs.

**Deputy James Lawless:** A message may be required and that might be relevant to the Estimates but I would like the Minister to comment on the matter.

**Chairman:** I will bring in the Minister but we should keep to the Estimates today.

**Deputy Denis Naughten:** I will go through the Estimate questions first before dealing with some of the broader questions. I will begin with the spending and changes in the figures from 2017 to 2018 under the various subheads. On information and communications technology, between 2017 and 2018, the Estimate has gone from €20.5 million to €19 million. That is because of anticipated contractual payments under the concession agreement for phase 2 of the metropolitan area networks which are projected to be less than was budgeted for in the 2017 allocation. The outturn for 2017 is €1.45 million less and that is reflected in the change in the subhead.

Some €15 million is allocated to complete the procurement process in the national broadband plan. The process commenced 27 months ago and we have gone through the process and the complexities involved. As I have said before, is not a simple auction. At the start of the process we did not have the technical solution, so that as part of the whole procurement process, one is bidding for the technical solution. The three bidders who had progressed forward had recommended a primarily fibre-based solution for this. David McCourt put it well in one interview when he explained what a competitive dialogue procurement process is. At the start one has 200 issues to deal with, and now we are down to the last handful. Once they are agreed, one signs off on the matter and moves on. We are now at the very end of the process. As I told the committee here some weeks ago, we will have a preferred bidder stage by September. I think we can expedite this and we will get contractors on the ground delivering high-speed broadband quicker than we had envisaged. The build out is expected to be three years and we are making significant progress.

The Chairman asked for a breakdown of subhead 3A. The substantial part of that relates to the national broadband plan. There is €140,000 for the metropolitan area network, MAN, phase 2. The management services entity, MSE, process management, which relates to the MAN ducting, has a fee of €80,000. The MSE 2 concession agreement is €1.4 million. The Galway-Mayo ducting is about to come to committee -----



**Chairman:** It is on Second Stage at the moment.

**Deputy Denis Naughten:** ---- it is currently €500,000. The Tuam ducting has a sum of €100,000. The North-South telecoms operation is €20,000 and €1.8 million for Eircode.

Deputy Dooley asked about subhead A4 on multimedia developments. The projected change from the 2017 Estimate to the 2018 Estimate is €654,000. The decrease relates to the Digital Hub Development Agency 2018 allocation which reflects the ongoing implementation of the 2015-2019 financial model which is designed to gradually phase out the agency's reliance on Exchequer funding. Funding for operating expenses and capital has decreased in line with the financial model. In plain English, part of the long-term strategy for the digital hub is that over time it would become less reliant on public moneys and be able to generate more income itself. Much of that income is being generated in relation to the development of property on that site which is then let to companies including tech companies. As the rental income from the site increases, the Exchequer contribution towards its running cost diminishes and the figure of €645,000 reflects that.

Those are the two big changes in spending on the A Vote. Deputy Stanley asked about the difference between the spend. There is another slight change in this, namely, €258,000 on administration non-pay aspects. That relates to overall savings on that side. Deputy Stanley also asked about the trading online voucher scheme. Since I was appointed Minister, we have increased the funding available to the trading online voucher scheme year-on-year. On several occasions I have publicly made the local enterprise offices aware that if applications for the trading online vouchers scheme is over-subscribed and the funding is not there to meet it, I will find the funding for it. I do not want funding to be an issue on that. Many colleagues here have actively encouraged companies in their own constituencies to apply for the trading online voucher scheme which is a 50% grant up to €2,500 for people to start trading online or to be able to take online payments if they already have an Internet presence. We have found that those people who have started to trade online are increasing their sales by one fifth, employment by one third, and two thirds of those companies are now trading internationally.

It is not only traditional retail businesses which can benefit from this. I was in Deputy Dooley's county town of Ennis recently and visited Bridget Haren hairdressers, not that I am an expert in visiting hairdressers, where we had an interesting conversation regarding Bridget having availed of the online voucher scheme. They have used it in order to make all their bookings online. Whether it is a wash and blowdry or highlights, the client is allocated whatever period necessary and the staff member to do it. It provides them with a huge degree of flexibility as well as being able to sell the hair products online that they have the rights to stock in their salon. Over the Christmas period, they saw their sales increase dramatically. There are huge opportunities there for businesses which may not traditionally see themselves as having an opportunity to go on the route of trading online. I actively encourage people to avail of the scheme. Up to one third of that grant may also be spent on online marketing. There is no point in having a shop window online unless people can actually see it.

Another interesting thing that we have found from it is that quite a number of people who have availed of the training have found that their existing system meets their needs but they may not have been maximising it. Over 10,000 businesses have received training where about 4,500 have availed of the voucher. There are 1,500 vouchers. Let that not be a limit. I encourage colleagues here to actively encourage businesses in their constituencies to avail of that support.

Deputy James Lawless asked a number of questions. On the legislation he introduced, I

have spoken privately to him about it. I also discussed on the floor of the Dáil the technical difficulties with it, although the Deputy gave a different impression on “Morning Ireland” earlier in the week. We are all agreed on the route we need to take. An interdepartmental group which is led by the Taoiseach’s Department and comprises representatives of the Department of Housing, Planning and Local Government is due to meet on Friday and this issue will form part of its discussion on electoral reform. We are and were conscious of the issue in advance of the Channel 4 documentary and what was reported in *The Guardian* this week. The interdepartmental group was established on foot of the Deputy’s legislation and it is our intention to progress swiftly in that regard.

On the Deputy’s question of whether there is a lack of resources on the cyber security side, all of the resources that have been sought have been provided. I had a discussion recently with the head of our cyber security division about whether resources were an issue. The main issue is the provision of accommodation to meet staffing levels which have increased dramatically from a low base. The intention is to recruit additional staff this year. The challenge, therefore, is not resources, but, rather, finding staff with the requisite training. Traditionally, we have seconded staff from the Defence Forces and An Garda Síochána and this practice is continuing. We liaise with our colleagues across Europe in that regard. A recruitment process will commence soon to ramp up capacity in this area.

**Deputy James Lawless:** It is good to hear that the Minister listens to “Morning Ireland”. These are important issues and there is a degree of urgency attached to them in the social media space in the light of the upcoming referendum. I welcome the establishment of the interdepartmental group, about which I heard for the first time yesterday on the floor of the Dáil. It is better late than never and I hope it will do some good. In the meantime, it is my understanding there is one line in the legislation that causes difficulty for the Government. If the Minister was willing, he could work with me on redrafting it before Committee Stage. I would welcome engagement with him in that regard.

**Deputy Denis Naughten:** There is more than one line at issue. There are other complex issues with the legislation, but we are happy to engage with the Deputy on it.

**Chairman:** I must ask members to stick to the topic of this discussion which is the Estimates.

**Deputy Eamon Ryan:** On the national broadband plan and the Minister’s statement that he hopes to have a preferred bidder by September, is there a competitive element to the process such that a preferred bidder will be able to contract the use of telephone or electricity poles in providing fibre broadband for houses? If so, will the competitive element follow the selection of the preferred bidder or will it commence now? How does the Minister see it developing as an option? Given that the ESB is a State-owned company and that enet is owned publicly by a State investment fund, I imagine it is a complex regulatory issue as to which poles might be used, given that they have existing uses and so on. I would welcome some detail from the Minister on this aspect of the tendering process. Is it one of the handful of issues which the Minister mentioned which has yet to be resolved and if it is part of the tendering process, will it happen before or after the selection of the preferred bidder?

**Deputy Denis Naughten:** The network design is part of the procurement process. I understand there has been engagement to explore all options and that nothing has been ruled out. The regulated price is €20 per telephone pole, which means that if there are two operators using a pole, the cost is €10 each and that if there are four, the cost is €5 each. The Deputy will be



aware that prior to Christmas I brought a memorandum to the Government on the introduction of legislation to deal with the regulated price of access under the NBP. The regulated price is reviewed every three to five years, but the contract period in this instance is much longer. There has been engagement on price with the owners of infrastructure. This is very much part of the overall procurement process and the final price will be determined as part of the decisions that are made on the contract.

**Deputy Eamon Ryan:** Will that determination be made before the preferred bidder is selected or will the decision on the infrastructure to be used be part of an evolving process? I presume the contract will not be signed when the preferred bidder is selected because all of the regulatory details will not be to hand in September. Is agreement on the preferred bidder the key finishing line or part of a series of decisions to be made?

**Deputy Denis Naughten:** There has to be a network design in place for the preferred bidder. It is under active discussion with all of the players involved.

**Chairman:** We will now move to programme B, broadcasting. It comprises 44% of the Vote's adjusted gross allocation. I invite the Minister to make his opening remarks on it.

**Deputy Denis Naughten:** The purpose of programme B is to support Ireland's socio-economic development by promoting the maintenance of a diverse and vibrant broadcasting sector and ensuring the regulatory framework will remain appropriate in achieving this. RTÉ and TG4 are funded through a mix of commercial revenues obtained largely from advertising, Exchequer grant payments and licence fee revenue. It is estimated that broadcasting licence fee receipts will be €222 million in 2018. The broadcasting programme provides for an allocation of €190.7 million in television licence fee receipts to RTÉ to enable the company to meet its statutory obligations as a national public service broadcaster. In addition, the programme provides for an allocation of €4.2 million in television licence fee receipts and €31.5 million in grant payments to TG4 to produce a comprehensive range of programming in the Irish language.

Programme B also funds new Irish television and radio programmes through the broadcasting fund which is operated by the Broadcasting Authority of Ireland. The fund receives 7% of net television licence fee receipts which is expected to amount to €14.7 million in 2018.

**Deputy Timmy Dooley:** In the last 18 months to two years, the Minister has indicated a willingness to make significant changes to the manner in which the licence fee is collected in an effort to address the considerable amount of money not collected as a result of evasion which in some quarters is estimated to be between €40 million and €50 million. That is a significant amount of money at a time when the national broadcaster is under significant strain in terms of its ability to meet its commitments and compete with the digital platforms. What has come to the fore in the last couple of days about the capacity of outside forces to use social media platforms to act in a nefarious way in democratic elections must surely bring home to the Minister and everyone else at the Cabinet table the necessity to support indigenous media.

In this instance, our discussion concerns broadcasting only, so I will confine my remarks to that. I also have a view that we must support the wider media to act as a bulwark against the kind of nefarious activities that have been talked about in other jurisdictions. In that light, what movement, if any, have the Minister and the Department made to address the sum of approximately €40 million that is being lost to evasion? How quickly does the Minister hope to address the funding shortfall that arises in this way? Does he have any further thoughts about the use of the Revenue as an agency to collect the licence fee? Has he thought further about

extending a flat broadcasting charge across the State as a method of supporting our indigenous broadcast media?

**Chairman:** I ask Deputies to refer to the subhead to which their remarks pertain.

**Deputy Brian Stanley:** Under subhead B, I refer to the broadcasting fee. I note that bulk of the total figure, €190 million, comes from the licence fee. There is little or no accountability for how that is spent. I note that the Committee of Public Accounts has written to RTÉ requesting that its representatives appear. Is there any accountability to the Department for that considerable sum of money? That is one question.

My second question under subhead B relates to our progress in capturing the 14% to 17% licence fee evasion. I am very clear that the TV licence fee should not be increased. We should aim to spread the burden more widely because an awful lot of people get up early in the morning and earn very small wages but dutifully buy stamps to pay their television licence every week. Indeed, people who are on other low incomes, such as social welfare, do the same thing. People who are fairly wealthy may not pay it. What progress has been made? The wheels seem to turn very slowly. I put forward proposals to improve that collection rate by having the registration at the point of purchase of the service or of a television set. A user would immediately come into the net. What is the current position and what is the scale of the loss at the moment? The figure of €40 million has been mentioned in the past.

My questions concern accountability for where the money goes and the progress in moving to a new system to ensure a greater spread of the burden while keeping the licence fee where it is.

**Deputy Eamon Ryan:** My question concerns the same subhead and the same issue. I think this committee is at one. There is a real urgency in addressing the funding of Irish broadcasting and, indeed as Deputy Dooley says, Irish media. There has been good news in that TV3 is about to sign a deal for rights to the Heineken Cup, which is great. However, I joked with the Minister for Foreign Affairs and Trade, Deputy Coveney, yesterday that RTÉ could not buy the Cork Constitution FC under-15 B team's television rights. It is being frozen out of a range of areas. It is not in the long-term interests of this country to have a broadcaster which has been cut to the bone and which has a strategic plan but no direction whatsoever from Government as to whether it will be supported. This cannot wait. This is something the Minister will have to address before the summer break because the world is moving on. The business world is moving on. If we are too slow to fund broadcasting properly we will kill it, and that is not in the democratic interests of this State.

We did very good work in the oral hearing we held in Dublin Castle last year. It is not just the licence fee alone but also the transmission fee and a range of other initiatives that can give us that extra pot of €40 million or €50 million. That is what we should go for. We are clear on that. I ask the Taoiseach every second week and I get a know-nothing response. It is time to respond. What is the Minister going to do about it?

**Deputy Bríd Smith:** I want to ask about the transmission fees as well. I would like to know what progress has been made in gathering them. That is where a lot of revenue could be collected. Has the Minister considered the impact on An Post if collection of fees is moved from it to Revenue or RTÉ itself? Can the Minister comment on the overall vision for having Revenue collect the television licence fees? It will go down like a lead balloon if another tax is taken out of wages to pay for this. Can the Minister comment on those three things?

**Deputy Denis Naughten:** I will take a few of those questions together. First of all, the work the committee has done in this area has been very good. It has provided me with a very detailed report on-----

**Deputy Timmy Dooley:** We have given the Minister great cover.

**Deputy Denis Naughten:** -----the long-term view of where public sector broadcasting should go. In the next day or two, I am due to receive a report from my officials on that report, and I want to compliment the committee on it.

In response to Deputy Eamon Ryan, I note that Deputy Dooley asked me the same question in the House a couple of weeks ago. We need to deal with this urgently. I agree with Deputy Eamon Ryan in that regard. That is why last May, I got Government approval to bring forward the Broadcasting (Amendment) Bill 2017. Hearings on the Bill started here on 11 July 2017 and the committee produced its report on it on 8 March 2018. I have only just received that report. My intention is to move as quickly as possible on this. Specifically, this Bill addresses the issue of evasion.

In answer to Deputy Bríd Smith's query about the impact on An Post, I note that An Post says that it is losing money on the enforcement of television licences. We have looked for expressions of interest with regard to this service. An Post is the collection agent at the moment, and the work is carried out through local post offices. We have no plans whatsoever to move collection away from the local post office. An Post is one of the organisations that is anxious to bid for this service if it goes through a tendering process. The intention behind this legislation is to enact it quickly and deal with some of the challenging problems that we have. Deputy Bríd Smith asked about the issue of retransmission. The report of this committee of 8 March asked me to prioritise measures to tackle evasion, which is what I intend to do. It also said that we need a detailed regulatory impact analysis of the issue of retransmission. We have just received that report, and I have directed officials to work on this immediately.

As I say, I am expecting to receive feedback on the broader report the committee has produced from my officials very shortly. I presume this will include Deputy Stanley's suggestion concerning registration at the point of purchase of a television set. Deputy Stanley is right in this regard. This is something I feel very strongly about. There have been numerous calls to increase the price of the television licence. We are effectively asking people to pay more to subsidise those who are refusing to pay. At the moment, the public is actually subsidising the television licence because of the rates of evasion. Those who pay a television licence effectively subsidise those who do not to the sum of €39 annually. About a quarter of the television licence fee is being used for that purpose. We need to increase funding to RTÉ but the way to do that is by ending evasion and closing off some of the loopholes and anomalies associated with the current licence. Since 2013, sales of the licence have increased, although not at the rate we would like. We want to encourage people to buy the licence.

Deputy Dooley is correct that combatting disinformation is the fundamental reason we need public service broadcasting. Any robust democracy has a well-functioning, publicly supported media. That is not only in relation to broadcasting but, as I said shortly after my appointment, it is something that we need to broaden out. We can see challenges across the board. We have very good quality journalism in this country, both from broadcasters and print media, and it is something I want to see supported. That is why the Broadcasting (Amendment) Bill includes provision to support community and local radio stations, and also to support young journalists. I would like to see a situation eventually where we had the flexibility to go further than that.

Deputy Stanley asked about governance. The 2016 code of practice for the governance of State bodies issued in August 2016 applies to RTÉ. However, it did not come into force immediately. State bodies are expected to be in compliance with the code by the end of the first full financial year subsequent to the publication of the code, which was 31 December 2017, in both cases. The Department has been working with RTÉ to ensure full compliance with the code within the specified deadline. In line with the code's requirements, an oversight agreement has been signed by the Department and RTÉ. The oversight agreement does not include any additional obligations, rather it describes the roles, responsibilities and obligations of the Department and RTÉ as set out in the Broadcasting Act. RTÉ provides detailed financial analysis to the Department each month, including revenues, costs, deficits and surpluses, by channel, service and broadcasting genre and between public service and non-public service activities. The information is consolidated at the end of year and published in the RTÉ annual report.

On the key performance indicators for broadcasting, both public service broadcasters, namely, TG4 and RTÉ, prepare annual statements of performance commitments setting out how they intend to meet the targets in their respective strategy statements and how they will meet their statutory objectives as set out in the Broadcasting Act 2009. The Broadcasting Authority of Ireland review these statements in the context of the annual reviews carried out under section 102 of the Act and the BAI then reports to me, as Minister, on the performance of each public sector broadcaster with regard to its statutory remit and commitments, and can make recommendations regarding funding required to enable the public service broadcasters to fulfil their obligations.

**Deputy Eamon Ryan:** I cannot remember when the committee started debating the retransmission issue but I think it was nearly a year ago that we had the hearing. Anyone listening to the discussion we had around it would know that the Minister has the political cover to act on it because we were pretty much united and perfectly clear having heard the initial evidence that there was a really strong case. There is some frustration that the process took time, although we were clear in our report after the Dublin Castle event that we thought the retransmission issue was one of the basket of measures that the Minister needed to pick up. It is true there are all sorts of legal checks, and a final legal scoot around is necessary, but for the Minister to suggest the committee delayed it to 8 March is incorrect. Anyone following this process over the last year knows that the committee could not have been clearer about the retransmission issue and the need to act fast on it. The idea that the committee's main recommendation was for there to be more regulatory analysis and that the Department has not done it over the last year beggars belief. We need to act fast on this. As Deputy Dooley said, the Minister has political support and cover to do something. It cannot just be the advertisements I keep hearing on the radio from the Department of Communications, Climate Action and Environment telling me to pay my television licence, which do nothing to address evasion. If that is our ongoing response, it is not good enough.

**Deputy Timmy Dooley:** I support what Deputy Ryan said, and had flagged it earlier. Maybe Members of the Oireachtas can be political at times when we do not need to be. I am sure the Minister and the Department were observing the discussions which were ongoing here. It was not necessary for us to finalise the report in order to know the direction the committee was taking. Early on, the majority of the members of the committee had spoken of the Revenue Commissioners as an effective methodology for collecting the moneys owed here. The Minister's Bill does not do that. It looks at a hybrid model and gives the Minister options. I do not know how successful the Bill can be in capturing that €40 million. I suspect it would be less effective than the direction which this committee suggested. The Minister does not have to take

on board the views of the committee. Previous Ministers moved this matter on a considerable distance but were unable to get it over the line for political reasons. The Minister identified the problem in the early stages of his time in office, but he immediately took the notion of a broadcasting charge off the agenda without consultation. My party, which facilitates the Minister being in government, made it clear in its manifesto that we support the idea of equality and fairness for all, in the sense that everyone would pay their fair share and those who pay do not carry the burden of others. It is a little disingenuous, if not overly so, for the Minister to suggest that there were delays here in this committee which have delayed the process of getting at that €40 million. In my view, the Minister could have moved more quickly with the Revenue Commissioners, and could have done it six, eight, ten or 12 months ago, and we would not be where we are. Now it is coming into really sharp focus because, as others have said, RTE has a plan. The director general has not been before the committee for a while, but I assume she will be in the normal course of events. Presumably she will say the same thing she said last time, and I paraphrase, that she had heard a lot of claptrap and a lot from politicians about the necessity to provide for RTE's public service obligation but we have not come forward with the money. The committee has outlined the way to do it. It is now over to the Minister.

**Deputy Denis Naughten:** We are talking about two different reports. We received the pre-legislative scrutiny report on foot of its publication earlier this month, on 8 March. There is a process for the passage of legislation. I cannot proceed to the next stage of that until it completes the next stage. It has gone through pre-legislative scrutiny and I have asked my officials to act, and act immediately, on foot of that, which is what they will do. A far more substantial body of work was undertaken by the committee regarding long-term funding for public service broadcasting in this country, which I complimented in my contribution. It is a very detailed report. Within days, I will have a report on my desk from my officials on foot of that. I intend to proceed with that and bring it to Government also.

**Chairman:** We now proceed to programme C on energy. Does Deputy Lowry wish to come in here on energy?

**Deputy Michael Lowry:** No, later.

**Chairman:** This programme comprises 28% of the Vote's adjusted growth allocation. I invite the Minister to give a brief statement, and then I will call Deputy Lowry.

**Deputy Denis Naughten:** Programme C aims to deliver on the key elements of the Government's energy policy with a clear focus on energy efficiency measures across the residential, public and business sectors. Using less energy, and using it more efficiently, is the most cost effective way to combat climate change. The programme provides €10.9 million to cover operational costs of the Sustainable Energy Authority of Ireland and includes a significantly increased allocation of €117 million to fund expanded energy efficiency programmes. They include: the better energy homes scheme for homeowners to provide grants towards a range of energy efficiency measures; the better energy warmer homes scheme to deliver a range of energy efficiency measures free of charge to low-income households; the better energy communities programme to encourage community-based partnerships to improve the thermal and electrical efficiency of the building stock and energy poor homes; and targeted interventions in the commercial and public sectors to deliver significant energy savings, while reducing our dependence on imported fossil fuels. These schemes are anticipated to deliver energy measures to over 28,500 buildings, including 9,300 low-income homes and save over 120,000 tonnes in carbon emissions.



The overall energy programme also provides funding to incentivise the purchase of electric vehicles and support for the installation of home and public charge points, with an increase in the number of rapid chargers. Investment of some €9 million in energy research aims to accelerate diversification away from fossil fuels to green energy.

**Chairman:** I will bring in Deputy Lowry, Deputy Stanley and Deputy Dooley.

**Deputy Michael Lowry:** The Minister referred to reducing our dependence on fossil fuels. The Littleton briquette factory has been a victim of that particular policy, which I understand. Today is a very sad and difficult day because it is the last day of production at the plant. It closes this evening. It has been a very traumatic experience for the 120 people who have lost their jobs in Littleton.

I acknowledge and appreciate the Minister's assistance and support and that of the Minister for Finance, Deputy Paschal Donohoe, in facilitating through Bord na Móna a redundancy package that was accepted by the vast majority of the workforce. What I and everybody in the local community are concerned about is that we have a plant that has made an enormous contribution to the economic and social life of the area. It is hugely important and beneficial to the local economy. We are now bereft of employment in that isolated area. I am asking the Minister to discuss with Bord na Móna what the future holds for the plant. How can we maximise and utilise the existing bog? How can we provide alternative employment opportunities for those people who have lost their jobs and their dependent families?

I am also concerned about security. We are talking about roughly 12,000 acres of bogland and we already have a lot of encroachment, trespassing and security issues. The local people are extremely concerned that the property will be vacated and that it will result in trespass of a serious nature, which has already taken place. Does the Minister have any suggestions or ideas? What discussions has he had with the executive of Bord na Móna about providing alternative jobs and employment at the site?

**Deputy Brian Stanley:** The expenditure on energy under C.4 has gone up considerably. I presume the reason for that is energy efficiency. How many renewable energy projects have been supported through the SEAI schemes over the past year? Have any schools been given support to develop renewables? One of the good things that has been happening over the past number of years is the number of new schools being built even in 2013, 2014 and 2015 when there was not much money about. I give the Government credit for that. It is good that education continues to be a priority. We have built schools and a lot of money is spent on architects doing designs and all of them look the same. I am not sure why there is so much hoo-ha about the design. One of the things that is noticeable is they have flat roofs. A huge opportunity is being missed to capture solar energy on the rooftops of schools. I am talking about schools but one could also consider county hall in Laois where a new storey has been added for the payroll section for all the local authorities in the State and a whole lot of public bodies. There are 70 or 80 new employees in it. There is a flat roof which is mostly south facing. Have any schools been given support for that?

My other question is on renewable energy. It receives money from the ordinary householder through the PSO levy. There is a slow-down in the development of new renewables. If one looks at the figures for 2015 and 2016, will one see a downward trend in recent years? The figures indicate there has been a slowdown. At what point did it begin? If one looks at the 2014 to 2016 figures, one can see it. What is the explanation for it?

**Deputy Timmy Dooley:** The only point that I have not addressed in the past is electric vehicles and the lack of chargers. The Minister has talked about an increase in rapid chargers. Collectively, we will have to find a way to get many more charging points out there. I am hearing it consistently from people who have taken quite some time to get to a point where they are prepared to purchase an electric car. They have purchased one and are finding that the chargers, on many occasions, are not working. They are down for considerable periods of time. It is hugely frustrating.

The most frustrating aspect is that people have come to me to say that if they could they would give up their electric cars and go back to petrol or diesel, not because of anything to do with the car but because of their inability to find effective charging points in the towns which they frequent. It is very disheartening. We have to front-load the charging points way above what is needed in the short to medium term. We should be putting the long-term requirement in right at the very start so that we overcompensate to ultimately encourage their use. It is a big behavioural change to get people to change from the traditional fuel methods to electric vehicles. It takes a lot of confidence. Range anxiety is a very significant inhibitor. If people have worked out that the range is doable but then discover there is not an available method of charging in the areas they frequent, we have a problem. I appeal to the Minister to do whatever it takes to get a system in place of rolling out these chargers. They are just as important now as ensuring that sections of our roadways are not littered with potholes. It is that serious in my view based on the experiences I have encountered.

**Chairman:** In the national development plan, there is an aim to increase the number of houses upgraded under the energy efficiency scheme from 30,000 to 45,000 by 2021. Should the baseline figure for 2018 not be at 35,000 and increasing by 5,000 each year if we are to reach the target by 2021? What kind of budget would be required every year to increase the output to 45,000 buildings by that date?

**Deputy Denis Naughten:** Deputy Lowry asked about the Littleton plant. It is a sad day when one sees any operation in the country closing. It was inevitable and will be inevitable that as we transition away from fossil fuels, we will have more announcements of this kind in the future. The objective is to try to ensure, in so far as is possible, that we are transitioning out of one technology and into employment in another area. It has been very traumatic for the staff involved in Littleton. There are 124 people impacted by it. About 80 people will exit the company on 28 March and there will be ten retained in the peat business unit. Over a period of six months to three years, 34 redundancies will take place due to the decommissioning of the site. In terms of the security of the site, 44 staff will still be there and they will transition out over time. While there were protracted discussions on redundancy, 90% support from the staff was secured for the redundancy package which was ultimately offered. It is important now to explore the opportunities for the site and source alternative employment for it. I discussed this with the outgoing chief executive of Bord na Móna and we have discussed possible alternatives for the site. We have a new chief executive coming into Bord na Móna now and I will ask him to look at this. It is a very valuable site given its strategic location and infrastructure and we must find out what opportunities exist there for alternative uses and employment.

Deputy Stanley asked me about school buildings. We have been involved in a pilot project with the Department of Education and Skills. There was an initiative between the Sustainable Energy Authority of Ireland and the Department of Education and Skills and €2 million was allocated for a renovation pilot scheme for medium to deep retrofit upgrades of ten primary and secondary schools. The purpose of the pilot scheme was to help to develop a scalable model

for energy efficiency retrofits to schools across Ireland. On foot of the learnings from that, we are going to try to develop it further. We had a number of other pilots, one of which involved energy upgrades of central government buildings with the OPW. This year, we have set aside €9 million to invest in further support for public sector energy efficiency strategies. We are at about 20% across the public sector in relation to energy efficiency and must reach a target of 33% by 2020.

**Deputy Brian Stanley:** Are schools included in that?

**Deputy Denis Naughten:** Yes. Solar panels are part of the mix. In fact, I visited a school in Leixlip where the kids were showing me the solar panel. They actually had battery storage in the school. The big problem with schools is that they are closed a lot of the time whether at weekends or out of term. As such, one is not getting the same bang for one's buck when investing in a solar panel there. However, this is a whole issue we are looking at in the context of microgeneration. We had a workshop in October 2017 on this. It is something not only colleagues here, including me, are anxious to see pursued, but under the new directives on microgeneration and community participation from Europe we will have to do it anyway. What we are looking at now is a number of options. Self-consumption seems to be the easiest area in which to get over some of the technical challenges. That was the example I saw first hand in Leixlip. It is our intention to run an initial phase on solar panels for domestic purposes this summer. We will look at the uptake there. The SEAI is working on the scheme now.

Right across the public sector, there are huge opportunities. The Deputy is right about that. In effect, the grant aid available is roughly at about 30% and we are working with the OPW, local authorities and other bodies. There is a number of avenues. We have the public sector energy efficiency targets for which funding is available. Whatever energy savings are made by the public sector can also be retained by the relevant division or Department and does not have to go back to the Department of Public Expenditure and Reform. It can be reinvested in other services within the relevant body or agency. There are other funding avenues across the public sector for initiatives. We are quite open to any initiative. We have done a pilot project with the Department of Education and Skills and hope to see it expanded and developed.

Deputy Stanley asked about a drop off in relation to the 2014-2016 figures. I am not sure what he is asking me about. Is it in relation to renewable energy or grants for retrofitting homes?

**Deputy Brian Stanley:** If one looks at the gigawatt hours at the bottom of page 29, it has the context and impact indicators for 2014, 2015 and 2016.

**Deputy Denis Naughten:** I have it here.

**Deputy Brian Stanley:** It has gone from 19,200 in 2015 to 18,000.

**Deputy Denis Naughten:** It has gone from 14,000 to 18,000.

**Deputy Brian Stanley:** It was rising that year and then there was a fall.

**Deputy Denis Naughten:** That is renewable electricity, the vast bulk of which is coming from wind farms nationally.

**Deputy Brian Stanley:** There has been a fall in it, however, between 2015 and 2016.

**Deputy Denis Naughten:** Sorry, that is in relation to energy efficiency. It is a more efficient use of energy. I do not know why there was a drop and I will have to come back to the

Deputy on it. I do not have an answer. However, we expect the outturn for 2017 to be up. I will come back to the Deputy because I honestly do not have an answer to that.

Deputy Dooley asked me about electric vehicles and charging points. He is right that this issue is coming up all over the place. There are approximately 900 charging points nationally, most of which are the relatively slow ones. On top of that, every person who purchased a new electric vehicle had a charging point installed at their home. The vast majority of people are actually charging at home. Some people are charging during the day but the numbers are limited. If we want to get people to move from using their cars purely for commuting and to travel across the country, it will be necessary to have an effective network of charging points. That is why we announced this year additional funding of €1.8 million, of which €1.5 million is for capital expenditure and €300,000 is for current expenditure, to expand the network of charging points nationally. Currently, we have approximately 4,500 electric vehicles in the country. The grant has been paid out for 2,636 electric vehicles since it was initially introduced and there will have been imports on top of that.

The number of charging points per electric vehicle is probably better than most other places in Europe. However, that does not take from the point the Deputy makes. We saw a significant improvement last year. Approximately one third of all new electric vehicles on our roads were purchased in 2017 and we expect to see that increase again this year. In tandem with that, we need to repair the points which are not operational. Some local authorities, including Deputy Dooley's in Clare, have improved the signage and road markings for electric vehicle charging points. My own local authority, Roscommon County Council, has done the same. We must encourage local authorities to do that across the country. We are now rolling out the fast-charging points. We are conscious of it.

Interestingly, we held a new electric vehicle-hybrid trial in Letterkenny last month. Where taxis were used to transport patients for dialysis to Letterkenny hospital, they were conducting trials on the use of battery electric vehicles, plug-in hybrids and hybrid vehicles. The plug-in hybrids and the hybrid vehicles were supplied by Toyota - they were Toyota Priuses - and Nissan provided the electric vehicles, which were Nissan Leafs. We also had the cold weather and we will be able to look at the impact of the cold weather on that. Taxi drivers will give us a good idea, particularly in rural areas, such as Letterkenny, where they are servicing a rural area, of some of the challenges and issues. As the committee will be aware, my colleague, the Minister for Transport, Tourism and Sport last month launched the new grant scheme for taxi drivers of electric vehicles and hybrids.

The Chair asked about the national development plan and the ramping up, from 30,000 premises to 45,000 premises per annum. The main aspect where we will see the ramping up will be on some of the lower volume schemes. On the better energy homes scheme, last year we did 14,606 homes. On the better energy warmer homes, we did 6,555 homes. However, the newer schemes include the warmth and well-being scheme, where we will conduct a pilot on 1,000 homes over a three-year period. This will involve a deep retrofit and looking at the health outcomes for people with chronic obstructive pulmonary disease and children with asthma. We have asked the London School of Hygiene and Tropical Medicine to examine the health outturns in that regard. We have spent €15,500 doing a deep retrofit on each of those homes. In fact, we had envisaged a budget of €20,000 on average per home. In practical terms, the cost was €4,500 less than that.

We are also looking at a further deep retro-pilot, some of which will involve turf cutters - those who were availing of turf compensation scheme. In fact, the Minister of State, Deputy

Kyne, and I are participating in an information evening quite soon on that, talking to some of those families to see whether we can transition away from solid fuel to more sustainable forms of heating. The other deep retrofit pilot will look at moving away from oil-fired heating. The cost of doing this is not as prohibitive as we initially thought but we are building capacity within the sector, giving contractors the opportunities to bid for these scheme, building up the skill sets and building up the training ability for contractors to do it.

We have now also ramped up the sustainable energy community scheme this year. We have the better energy communities across the country. Last year, there were 44 projects approved and we have put additional funding into that this year. The call is just opening on the sustainable energy community scheme for €3 million. The objective is to look at communities that have not availed of energy efficiency grants up to now and, working closely with them, put a facilitator in place so that they can put a detailed plan in place to improve the energy efficiency of the community as a whole. Effectively, we will guarantee any group that works with us and the SEAI on this and that meets the terms and conditions, funding this year to get on that process because on so many occasions in the past we have communities go to a huge amount of effort and submit applications to find that they were not successful. We are saying we will guarantee them funding this year to get their project off the ground and then give them the capacity to bid for the better energy community scheme next year. We would expect, because of these pilot initiatives that are now ramping up, that we will be able to meet that target of 45,000 premises or homes a year by 2021.

**Deputy Eamon Ryan:** Unfortunately, I have to speak in the Chamber shortly. Apologies if I have to leave for that.

What number of those houses in 2021 does the Minister expect to be deep retrofit? Has Deputy Denis Naughten, as a Minister, supported the European Parliament's call for a 35% renewables target as part of the new renewables directive that is now in the trial process? Has the Department changed its position, which in its baseline assumption was that we would have a 40% renewables electricity target in 2030 or no increase in current levels? Given that this morning, Baringa, a renowned international research energy organisation, was showing on behalf of the IWEA how we could get a 70% target, what is the Minister's target for renewable electricity in Ireland in 2030?

Lastly, in one of the submissions we had here, Mr. Paul Kenny from the Tipperary Energy Agency made the obvious and stark point that 67% of new houses are putting in fossil fuel heating systems which we will have to take out in the coming decades. Would the Minister consider introducing regulations to wind down and stop our use of fossil heating systems given that we have heat-pump technology and solar-water heating alternatives, often Irish made and of high quality, which bring a range of benefits such as air quality and balancing system? Why are we still putting fossil fuel systems into any homes?

**Deputy Denis Naughten:** To answer the Deputy's last question, we should not be putting fossil fuel systems into homes. The building regulations have been changed and are to change again in 2020.

**Deputy Eamon Ryan:** I refer to what is going into new houses.

**Deputy Denis Naughten:** It is surprising to see that level of fossil fuel heating systems is going into new houses, unless a lot of it is on gas.



**Deputy Eamon Ryan:** It is still fossil fuel.

**Deputy Denis Naughten:** Yes, but the intention would be to transition away from that.

I am aware from personal experience - I would say many of my colleagues here from rural constituencies could verify this - that the vast majority of one-off houses that are being built are without fossil fuels or, at a minimum, with hybrid boilers. Few are done with anything other than that. I suspect quite a considerable amount of those are gas. That is part of a far broader debate. We have a review ongoing in that area.

In relation to those 45,000 houses, the objective is to bring those up to BER B standard.

As the Deputy will be aware, a 35% proposal that has been put forward by the European Parliament in relation to renewables. The 27% was the figure that we had pushed for at Council. That will be part of further negotiations that have to take place.

**Deputy Eamon Ryan:** Is Ireland supporting 35%?

**Deputy Denis Naughten:** We have to look at the figures and we have not done that. As Deputy Eamon Ryan will be aware, when he was Minister we signed up to a 2020 target where we had not done the figures on it.

**Deputy Eamon Ryan:** That is not true.

**Chairman:** Let the Minister answer.

**Deputy Denis Naughten:** When I have figures available to me and an assessment on that, my objective is to try to maximise the amount of renewables. Not even from a climate perspective but an energy security perspective, it makes far more sense to be putting investment in to sustainable long-term solutions that mean that our energy needs are met domestically rather than being imported. As Deputy Eamon Ryan will be aware, the reason we are looking at a 40% target for 2030 is that the demand for electricity is projected to increase dramatically here over the decade between 2020 and 2030. As Deputy Ryan is well aware, to maintain 40% renewables will be a significant ask and challenge for our grid.

**Deputy Eamon Ryan:** We could go to 70%. That is doable.

**Deputy Denis Naughten:** As Deputy Ryan knows with regard to the demands and projections relating to electricity, achieving 40% will be no mean feat based on where we are at the moment and some of the challenges that we have. As the Deputy knows, previous Governments took a decision to put all of their eggs in one basket with renewables and onshore wind. We all have plenty of experience of where that has led us to date.

**Chairman:** We are now moving on to programme D, natural resources. Does Deputy Lowry want to come in on this one? It is on page 12 of the briefing. This programme comprises 4% of the Vote's adjusted gross allocation and the Minister of State, Deputy Seán Kyne, will give a brief opening statement.

**Deputy Seán Kyne:** The aim of programme D is to manage Ireland's mineral, hydrocarbon and other geological resources in a sustainable and productive manner. Funding under this programme allows my Department to provide reliable geoscience support for environmental protection and the sustainable development of Ireland's natural resources and to address the environmental, health and safety implications of historical mining activity. In 2018, funding of

€3.75 million is provided for mining services, including €1.4 million for continued remediation works at the former mining sites of Silvermines and Avoca.

The programme also includes an allocation of just under €12.5 million for Geological Survey of Ireland services, including €8 million for the Tellus and INFOMAR mapping projects. The Tellus mapping project consists of airborne geophysical measurements and ground geochemical sampling. Data from the project will allow for improvement in geological maps, new radon mapping and agricultural mineral maps. Data from the Tellus project will also facilitate better land use planning and research. The INFOMAR project is Ireland's national seabed survey and is managed by the Geological Survey of Ireland in co-operation with the Marine Institute. Under the groundwater programme, the Geological Survey of Ireland's monitoring will provide key data relating to turlough flooding to the Office of Public Works, OPW, and local authorities.

**Deputy Michael Lowry:** The Minister of State refers to funding for continued remediation at Silvermines. He had sufficient interest to visit the local area in Silvermines and meet with members of the community, who conveyed to him their concerns, anxieties and fears, and the impact that historical mining had on the environment in Silvermines, the risk to public health and the safety concerns emanating from mining at the mines. We followed that with the interdepartmental meeting held in Agriculture House and we went through a number of proposals and suggestions. I would appreciate if the Minister of State could give me an update on what his intentions are within this budget and what results have been achieved, what additional information has been provided or what formula the Minister of State has for the continued remediation of Silvermines.

**Deputy Seán Kyne:** I thank Deputy Lowry. He is right. I attended what was effectively a public meeting in Silvermines recently with the Deputy and his colleagues in Tipperary, which I think was very useful. There was ill feeling about the issues and historical legacies of Silvermines. It shows the importance of other new mines that are being developed and the remediation fund which, unfortunately, was not there as part of the Silvermines development. Following discussions with the Department, the Chief State Solicitor's office wrote to the solicitor acting on behalf of the owners of the Gortmore tailings facility stating that, in effect, in the event that the owner does not wish to negotiate along the lines of the previous offer, the Department would consider retention by the owner of the site subject to a comprehensive management plan being submitted by the owner and signed off by a suitable expert. There has been no response to this letter to date. I understand that the Department, via the Chief State Solicitor's office, has, in the last week or so, contacted the landowners to again seek a response to the November 2017 letter and to remind them that they have an onus to keep horses off the older, remediated parts of the site. Following an update in February 2018, approximately 25 horses were found to be on the site. That is the site that has not been remediated by the Department. The result has been significant damage to the grass which was seeded directly onto the tailing.

This is an issue for which there is ongoing monitoring by the Department and ongoing liaison with the landowners through their solicitors, with a view to seeking a response to the letter of November 2017 and a follow-up to that. The funding provided in the Estimates is open to possible compensation. There is the possibility of the purchase of other sites subject to work being initiated by Tipperary County Council, which we have not heard about, and I know the chief executive was present at that meeting as well as experts in the area from the local authority. We are open to assisting Tipperary County Council should it come forward with proposals for other parts of the Silvermines site. We are still in liaison with regard to the Gortmore

tailings facility. As the Deputy said, there have been discussions with the veterinary officers in Tipperary relating to that site. As the Deputy knows, an inter-agency group is dealing with previous issues relating to incidents of animal disease in certain areas. That work is going on and there is ongoing mapping of the lands owned by farmers in that vicinity, to ensure that there is best management and best practice and that there is no soil contamination entering into fodder. Much work is being done by the Department in liaison with the Department of Agriculture, Food and the Marine, the veterinary office in the area and local landowners.

**Chairman:** I now move on to programme E, inland fisheries, on page 13 of the briefing document. This programme comprises 6% of the Vote's adjusted gross allocation.

**Deputy Seán Kyne:** Programme E provides grant funding to Inland Fisheries Ireland, which is responsible for the conservation, management and regulation of Ireland's inland fishery resource. In 2018, Inland Fisheries Ireland will continue to deliver its licensing, permitting and enforcement responsibilities, along with the rehabilitation of our rivers and streams. The delivery of a wide-ranging set of investments, innovations and promotions under the national strategy for angling development will ensure that Ireland's fish stocks and angling infrastructure are protected and enhanced for both their economic value and their recreational benefit to the communities and visitors they serve across Ireland. The inland fisheries programme includes an allocation of just under €18.7 million towards the staff costs of Inland Fisheries Ireland and the Loughs Agency of the Foyle, Carlingford and Irish Lights Commission. The Loughs Agency is a North-South body and is co-funded on a 50:50 basis by my Department and Northern Ireland's Department of Agriculture, Environment and Rural Affairs. Also included in the programme is €14.3 million for non-pay current and capital expenditure by the two agencies.

**Deputy Brian Stanley:** Under outputs and public services activities, to be a little parochial, if I may, the lough in the great heath of Maryborough, better known as the Heath in Portlaoise, which is the proper name for it, was being managed by a local fishing club called the Carp Fishing Club. There has been correspondence from my office to the Minister of State's officials about it. I know one of the officials here deals with inland fisheries. I might speak to him about it and see if we can get a resolution to it. There is illegal dumping and illegal fishing in that dragnets are being pulled out of it. It is better if a local club is managing and looking after it. There have been instances of intimidation of people involved in fishing.

**Deputy Seán Kyne:** Mr. Denis Maher is the principal officer in charge of inland fisheries and he will liaise with the Deputy about that issue.

**Deputy Brian Stanley:** I thank the Minister of State.

**Chairman:** We will move on to programme F, environmental waste management, on page 14 of the briefing document. This programme comprises 11% of the Vote's adjusted gross allocation.

**Deputy Denis Naughten:** The purpose of programme F is to promote the protection of our natural environment, the health and well-being of our citizens and the transition to a resource-efficient circular economy in support of ecologically sustainable development, growth and jobs. The environment and waste management programme includes an allocation of €37.4 million towards staff costs, non-pay current costs as well as capital costs of the Environmental Protection Agency to allow it meet its legislative mandate and deliver its research commitments, in areas such as ambient air quality as well as the broader climate change agenda. The programme includes €11 million grant funding for the remediation of landfill sites and repatriation

of North-South waste. A national waste campaign targeted at household waste collection, illegal dumping, end of life vehicles and tyres will increase awareness of the necessity to minimise waste and increase recycling. Investment of €2 million in the establishment of a local authority regional climate action office will support implementation of sectoral adaptation measures. An allocation of €1.5 million will fund a range of Irish academic and research institutions involved in technical research and modelling to inform policy measures in line with the national mitigation plan and the national adaptation framework. Funding for the national dialogue on climate action aims to build citizen engagement to bring about the requisite societal transformation to address the challenges presented by climate change.

**Deputy Timmy Dooley:** An issue we discussed extensively last year was waste management and potential difficulties arising from changes in the way in which recyclable materials would be collected. As the Minister knows, it is on the agenda again, with a particular company changing its charging structure. At the time there was much talk about the necessity to change consumer behaviour and I know that some money was set aside for that purpose. Will the Minister give a view on the effectiveness of the consumer behaviour initiatives taken in that regard? I still hear about people who have a difficulty in understanding what is and is not recyclable, what should be put in the green and blue bins and what should be put in what is generally labelled the “wet” bin.

Will the Minister comment on the watchdog that was established at the time? He will recall that Fianna Fáil brought forward a proposal in Private Members’ time to establish a more comprehensive method of ensuring value for money would be achieved across the sector, but it was rejected at the time. There was also the idea of having a waste regulator in place. The Minister set up a watchdog, but one of the agencies that was going to be central to it - the Competition and Consumer Protection Commission - chose not to be part of it. Will the Minister indicate the current status?

**Deputy Brian Stanley:** On recycling rates, one company is now charging for recycling. Recycling is only the second worst option. We need to reduce our waste. We need to lead in these Houses and start to speak to people about reducing their waste. I get depressed about illegal dumping, the level of which we could see when hedgerows died back this year. My God almighty, it was absolutely disgraceful. There are contractors, local authority staff and others out in rural areas gathering up the stuff. We must try to stop it. I note, in the context of impact indicators, that the rate of household recycling went from 47% in 2013 to 45% in 2015. What was placed in landfill sites in the same period decreased by over one quarter, which is good news and shows that something is happening to reduce the volume of waste going to landfill sites. There was a slip of 2% in the household recycling rate when I would have thought it would have been moving upwards and onwards. I thought we had got the message across and that we had made huge gains. We are not living in a bubble and China has indicated that it will no longer accept plastic waste. Does the Minister have a briefing note on this issue to give an outline on what is happening in that respect? It is a major concern. What are the figures for the landfill levy, from which there is still a substantial fund? Will the Minister give a breakdown of where the money goes?

**Deputy Denis Naughten:** We have taken a number of initiatives on the sorting of waste. Over the course of the past year we agreed a uniform standard in the use of the green and blue bins. Across the country there is now a standard list of what can be put in a recycling bin. It took a considerable amount of work and we ran an initiative in that regard towards the back end of last year. We also ran through the Environmental Protection Agency a significant number of

campaigns to encourage people to use the brown bin. The single biggest challenge we have is getting people to use that brown bin. We are rolling it out in more areas, initially in communities with a population of 500 or more. It was available in place in areas with a population of 1,500 people or more, but the figure has been reduced to 500. Ultimately, every home in the country that wants a brown bin will have access to one.

**Deputy Timmy Dooley:** The Minister might reflect on this point when dealing with the waste collection companies. I am hearing from householders who have adopted brown bins that they are too small. Canister-style bins are given in many areas because the companies do not want too much grass and other materials to be put into them. In the area with which I am familiar householders have told me that the units being provided are too small.

**Deputy Denis Naughten:** That is news to me. I know that in my part of the country there are wheelie bins that are the same as the blue and green bins. I am surprised to hear it and will investigate the matter on foot of the Deputy's comments. We need to encourage people in that regard as the primary objective is to try to reduce the amount of material being put into the black bin. We have introduced the revised regime because there are four landfill sites in the country, but by the end of the year we will be down to three. The very last option should be the placing of material in landfill sites. Quite a lot of material is being placed in landfill sites that should never be placed in them. Organic material should be a high priority in that regard. I will look into the Deputy's point.

We have recycling ambassadors going door to door across the country, speaking to householders and giving them a magnetic list that can be placed on a fridge detailing what can be put into a recycling bin. We are encouraging people to segregate waste properly. That initiative also kicked off towards the back end of the year. The pilot scheme was initially developed by Sligo County Council where it worked very well in bringing about the segregation of waste. That is why it was rolled out nationwide.

Deputy Brian Stanley mentioned statistics and the household recycling rate going from 47% to 45%, but we hope the figure will rise again. The Deputy is right in that the primary objective should be to try to reduce the generation of waste in the first place. That is why last year we brought all of the retailers in the country together to look at ways in which we could reduce the amount of waste or packaging generated in the first place. One of the first companies out of the block was Lidl which got rid of discounted rates for multiple purchases of fruit and vegetables which in many cases, unfortunately, ended up in either the black or brown bin. Bread presents another big problem, although I know it was in scarce supply last month. We are trying to encourage people not to generate waste in the first place. I attended the European Council of Ministers' meeting last Monday week and this was a discussion we had, both in public and private. We considered how packaging and plastic waste, in particular, could be reduced. It is an admirable goal that all plastic material will be recyclable by 2030, however, we need to focus on not generating it in the first place. In advance of the crisis created by China's ban on plastic waste, I had written to the Commission on that point specifically.

Deputy Dooley asked about the waste watchdog, the household waste price monitoring group. This group was put in place to ensure there would not be price gouging when we made the transition from the flat-rate system to the system based on use. As members know, a range of usage systems have been put in place. We were quite open to the type of systems that would be used. There are approximately nine different types of usage systems in place across the country.



There are 120 different price factors, service charge, lift charge, kilogram weight charge that were recorded in the latest report that was between November and December 2017, some 20 changes were made November and December, 12 had decreased and eight had increased. One provider recorded a decrease in the service charge per months from €17 to €12 per month and decreased the per kilogram weight charge from 22 cent to 19 cent. Other providers quoted lower lift charges, a reduction from €12.80 in November to €12.30 in December. Some companies increased charges, one company had a service charge and charge per lift plus excess charge. The quoted service charge went from €4.14 to €4.17, so there was a marginal increase. On average there has been relative price stability since the price monitoring group started looking at charges last September. All of the price monitoring group reports are available on line.

The Fianna Fáil Party had proposed regulation and at that time, I said that I was open-minded. I still remain open-minded. As members know the Competition and Consumer Protection Commission, CCPC, is conducting a review of the industry and will complete it later this year. I will act on its recommendations. Let us wait and see what the CCPC recommends. The CCPC did not participate in the watchdog because it was carrying out this review and felt to do so would compromise its position. We have a good mix of consumer advocates on the monitoring group, and their output is fully transparent.

Deputy Stanley is correct on illegal dumping. I believe that illegal dumping is both economic and environmental treason. That is why we have increased the funding to €2 million for community groups that want to clean up blackspots around the country. We are working with the local authorities in looking at innovative ways to monitor particular locations. I hope we will secure prosecutions. We are providing additional resources to the EPA and through the EPA to the local authorities to enforce the legislation in this area. I have given additional powers to the regional waste management offices so that there are regional inspectors that can go along and deal with cross-county breaches in the legislation. I will bring forward revisions in the legislation on littering. I believe strongly that it is totally unacceptable to litter and dump waste. I am open to new suggestions and ideas.

The closure of the Chinese market for waste has caused us a problem. We are liaising quite closely with the waste sector and the waste regulatory authorities regarding the impact of these restrictions. Basically China has closed its doors to recyclable material. The vast majority of material that was generated in Europe, both paper and plastic, was recycled in China. It is possible to get other markets for some of this material but in order for us to obtain other markets, it must be clean recyclable material. The problem arises because of what is presented in the green and blue bins at present.

**Deputy Brian Stanley:** What happens in the interim? As China has banned accepting waste, what will happen to the significant volumes of waste that are being generated? Is the waste being stored?

**Deputy Denis Naughten:** There are outlets for it, but in order for us to access many of the outlets, we need to present the recyclable material in a clean manner. It is important that householders would rinse out containers before they put them in the recycling bin and present cardboard that is clean. The pizza boxes must now go into the brown bin and not the recycling bin. There is a market for paper. We do not have the paper mills or the plastic recycling facilities. I had a very interesting discussion with two of my colleagues in Canada last week. They have come up with some solutions to get around this. We are exploring those. There are companies looking at providing processing facilities in Ireland. There are processing facilities available in eastern Europe and we are accessing some of them at present. It appears that we

must establish a more comprehensive network of processing facilities in Europe. It is about reducing the waste and providing material for recycling in a clean manner and having outlets for it in Europe without having to export it to China. China is still taking some material. Other parts of Asia are taking clean material.

**Chairman:** We now come to programme G - appropriations-in-aid

**Deputy Denis Naughten:** Appropriations-in-aid are income receipts into my Department other than from the Exchequer. The vast majority of receipts, €222 million from a total of €238 million, relate to the transfer of the TV licence funds to RTÉ, TG4 and the BAI, along with the collection fee to An Post.

The balance is made up of mining and petroleum income accounting for €8.8 million of total receipts, some €4.8 million in pension levy and pension contributions relating to my Department and its agencies, and €2.1 million in other miscellaneous income.

**Chairman:** We will now move to the Estimate of income and expenditure of the environment fund.

**Deputy Denis Naughten:** The environment fund was established by the Waste Management (Amendment) Act 2001 and comprises revenue generated from levies that were introduced in respect of plastic bags, currently 22 cent, and waste sent to landfill sites currently at €75 per tonne.

The fund supports activities and schemes to reduce waste and to promote environmental protection and awareness. In 2017, income amounted to almost €50 million but revenue is projected to reduce significantly in the coming years as proceeds from the levies are projected to decline.

The landfill levy is projected to decrease due to capacity constraints, the thermal treatment plant at Poolbeg, and the phasing out of flat-rate fees for kerbside household waste collection, which should lead to a significant reduction in the overall quantity of waste that households produce and improved recycling rates.

Revenue from the plastic bag levy has trended downwards for a number of years and this trend accelerated in 2016 and 2017 when a major national retailer ceased offering leviable bags. The decline in levy revenues demonstrates the successful impact of the levies in modifying consumer behaviour to the benefit of the environment.

The expenditure from the fund in 2018 is anticipated to be in the region of €50 million, and allocations will be approved shortly.

In 2017, environment fund allocations totalling €38.8 million were approved but the actual spend was €33.97 million. There was a surplus of €15.96 million. The money involved was spent on schemes to prevent or reduce waste; waste recovery activities; research and development into waste management; the production, distribution and sale of products deemed to be less harmful to the environment than other similar products; the development of producer initiatives to reduce and prevent waste arising from their activities; the implementation of waste management plans; the enforcement of the provisions of any enactment relating to waste management prevention; the protection of the environment; partnership projects involving local authorities to improve the quality of the environment for particular local communities; the promotion of awareness of the need to protect the environment, including national and regional

campaigns; the promotion and support of education and training to assist achievement of campaign objectives; resources, both human and material, to enable education and training to be carried out; initiatives undertaken by community groups and others for the protection of the environment; initiatives undertaken by international organisations and others for the protection of the environment and sustainable development; and such other purposes for the protection of the environment as would have been prescribed by way of regulation. I will be making an announcement soon on the allocation for this year.

**Chairman:** I thank the Minister, Deputy Naughten, the Minister of State, Deputy Kyne, and their officials for their engagement with the committee today. It is proposed to publish the briefing documents for these Estimates and previous Estimates on the committee's website. Is that agreed? Agreed.

### **Message to Dáil**

**Chairman:** In accordance with Standing Order 90, the following message will be sent to the Dáil:

The Select Committee on Communications, Climate Action and Environment has completed its consideration of the Revised Estimate for public services for the year ending 31 December 2018: Vote 29 - Department of Communications, Climate Action and Environment.

The select committee adjourned at 3.45 p.m. *sine die*.