

DÁIL ÉIREANN

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

SELECT COMMITTEE ON COMMUNICATIONS, CLIMATE ACTION AND ENVIRONMENT

Dé Máirt, 2 Aibreán 2019

Tuesday, 2 April 2019

The Select Committee met at 3 p.m.

MEMBERS PRESENT:

Deputy Richard Bruton (Minister for Communications, Climate Action and Environment),	Deputy Timmy Dooley,
Deputy Seán Canney (Minister of State at the Department of Communications, Climate Action and Environment),	Deputy Michael Lowry,
	Deputy Eamon Ryan,
	Deputy Bríd Smith.

DEPUTY HILDEGARDE NAUGHTON IN THE CHAIR.

Estimates for Public Services 2019**Vote 29 - Communications, Climate Action and Environment (Further Revised)**

Acting Chairman (Deputy Michael Lowry): We are in public session. I advise everyone here, including those in the Gallery, to turn off their mobile phones.

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

This meeting has been convened to consider the Further Revised Estimate for Vote 29 - Communications, Climate Action and Environment, referred by order of the Dáil on 20 February 2019 to the committee. I welcome the Minister, Deputy Richard Bruton, and his officials. I thank the officials at the Department for providing with the briefing material that has been circulated to committee members. I inform the Minister that the committee has agreed to proceed programme by programme. At the outset of consideration of each programme, I will ask the Minister to give a high-level overview of the programme, including the pressures likely to impact on the Department's performance and related expenditure for each programme in 2019. Members will then be invited to put their questions on a particular subhead in the programme. I will refer to the briefing document prepared by the Department to guide our consideration of the Revised Estimate.

Deputies Naughton, Lawless and Eamon Ryan are meeting with the chief executive of Facebook and will join us later. We will commence with programme A on communications, which members will find between pages 12 and 17 in the briefing document. I invite the Minister to make a statement.

Minister for Communications, Climate Action and Environment (Deputy Richard Bruton): I thank the Acting Chairman. Before I say anything I thank the committee for the huge amount of work it has put into the Citizens' Assembly and the report it recently published on climate action. I know it took a lot of work and I believe it is the most important issue facing our generation. I express appreciation for the work and I hope I will be able to do justice to it in our action plan, which is under development. This is the first time I have come to present Estimates and I thank the committee for its hearing.

The total Estimate is €665 million, €288 million of which is capital investment across all of the briefs. It covers communications, climate action and the environment. Specifically on communications, the huge challenge is to ensure people in Ireland can avail of the opportunities afforded by the enormous transformation that digital technology is having on our world. As members see in the Estimate, there are a number of areas where we make provision. One is on the capital side, where there is a tentative allocation of €75 million for the proposed State-led intervention and the national broadband plan intervention area. The committee is familiar with what has happened in this area since 2016. The number of people with high-speed broadband has increased from approximately 50% to 74% but there remains a figure of almost 25% for whom the commercial market will not deliver high-speed broadband to the standard set out in the specification made at the start of the process. I am at an advanced point in terms of due diligence being undertaken between my Department and the Department of Public Expenditure

and Reform and I hope, as has been indicated by the Taoiseach, that I will be in a position to bring a recommendation to the Government very soon.

The second area to which I draw the attention of the committee is the money allocated to trading online vouchers and to providing digital skills for citizens. These are both important schemes in their own right, in that they help to ensure people have the opportunity to participate in the impact that digital technology can have on their business, in the case of the trading online voucher, or on their lives, in the case of citizens who have not had experience of using digital technology.

The other two points to which it may be worth drawing the attention of the committee is the work of the Digital Hub Development Agency and the National Digital Research Centre. The other significant area is the National Cyber Security Centre which, as Deputies probably know, has been significantly expanded in the past two years and is taking on new roles in terms of responding to incidents. It has found to be very effective in how it responds to incidents. It is going further under EU directives to have a role on essential services, whereby those services will have to report on a quarterly basis on the adequacy of their preparation to deal with cybersecurity. Consultation on a new cybersecurity strategy is under way, to be developed over the coming months. This deals with the top lines in communications.

Deputy Timmy Dooley: I welcome the Minister and thank him for his comments to the wider committee for the work done on climate change. The Minister has had an opportunity since taking office to look at where the situation with the national broadband plan now rests. When he looks back at how we got to the position we are in, does he have any concerns about the tendering process and the competitive dialogue process entered into, in particular the decision taken by the Department at the time? I carefully suggest it was taken in good faith, based on the recommendations to go down the gap funding model. It was KPMG or perhaps PwC that did a report at the time on the ownership model that would best give the State best value for money. At the time the gap-funding model was chosen because two players in the State had very considerable assets deployed from a broadband perspective and because their existence in the process effectively ensured best value for money. We know that over time both those companies pulled out. It could be contended that the State should have stalled the horses at that stage, regrouped and taken stock of the situation to ensure we were not left with one pretty small operator as the only potential bidder in the race.

In a perhaps convoluted way, I come to my question. Looking back, does the Minister have any concerns that the best path might not have been chosen? Should greater care have been taken at an earlier stage to ensure the State got best value for money and was not left with just one bidder in the race?

Deputy Richard Bruton: The gap-funding model was chosen for good reason. The idea was that the State did not have a preconceived notion of how this ambition would best be served. It wanted to test the market. It also wanted to ensure that irrespective of the technology that was developed and put in place, there would be an incentive for whoever was operating it to keep it future-proofed throughout its life.

The backdrop to this is that a number of years ago Eir was sold off, meaning that we do not own the vast majority of the network. The inevitable feature of this intervention area is that it has to graft itself upon an existing network that is in private sector ownership. I do not pretend that I have read every document from that period when that decision was being taken. However, it was taken on the right basis that the best way to develop this was to stimulate the

private sector to come up with a solution that grafted onto existing assets that were not in public ownership. That was the best option. State ownership, in itself, did not confer benefits since it would be a piece of a much wider jigsaw. That was the backdrop. I have no reason to suggest it was not the right decision.

On the Deputy's second question, when two of the bidders decided not to proceed, a decision was taken that nonetheless we would continue with the competitive dialogue. That was taken on the basis that there was an understanding in the Department of the parameters of a successful bid to deliver the sort of solution that was emerging. It was interesting that all the cost-effective solutions emerging were fibre to the home. There was confidence that with proper oversight of the evolution of the contract which was undertaken, this would still represent a proper way to finalise a cost of delivering this.

The Department substantially geared up its resourcing to ensure that it could investigate in enormous detail the cost of different elements of a potential roll-out. The Department has a high level of confidence in the various cost estimates that have been put in place, having shadowed much of the cost-estimation process. The Deputy could argue, as many have argued, that it would have been better if two remained in the race. However, given that two or more did not stay in the race, the Department took the necessary steps to ensure that this evolution would be invigorated to a point where there would be confidence in what was being proposed.

Obviously, it is up to Government to decide whether the costs that will now have been identified with the various riders, contract terms, qualifications, etc., represent a decision that it wants to go along with. I hope to be in a position to bring a recommendation to Government very shortly.

Deputy Timmy Dooley: I accept most of what the Minister has said. The gap-funding model was the right decision with the information that was available at the time. However, is it not clear that as the circumstances changed dramatically when both Siro and Eir pulled out, there should have been a review at that stage? The Government resisted all efforts by the Opposition to have a review at that stage because it was rightly identified on this side of the House that the Government was leaving itself open to one bidder effectively holding it over a barrel. That now appears to have happened if we are to believe the rather well-informed leaks that we read frequently which suggest that the estimated costs have gone from €500 million to somewhere close to €3 billion. Is it not clear that it was a failure on the part of Government not to intervene when the fundamentals changed significantly?

Is it not also the case that everyone's back is to the wall? People are demanding broadband to be rolled out. We are in the throes of an election campaign and people expect it to be delivered. We are no closer to doing that because we do not know the ability of the remaining bidder to deliver. The Department claims that irrespective of who might have won the tender, the same set of subcontractors would be doing the work. However, will the success or failure of the contractor not be in the project management of such a large-scale project across wide geography with varying and difficult terrain? Therefore the skill sets required are not just about splicing or tracking fibre along poles. I know the Taoiseach has an issue in that he believes that fibre goes in the ground, but we will get over that. As the Minister knows, it principally goes along poles.

Is the really important component of the bidder for this project not the project management piece? I have searched extensively and I do not see the project management capability of Granahan McCourt, a private finance company based in Boston which has been very good at managing investments. I would argue that its expertise is in buying and selling and not de-

livering projects such as this. Over and above the mistakes that get made - I accept that - or the failure of the Government to intervene when it should have, the question now being asked, I think, is whether we should spend €3 billion and bet the future of the 540,000 premises and homes waiting for broadband on a private finance company based in Boston in the hope that it will somehow develop the project management skills to make such a large-scale project viable. After the decision to sign a contract, might we not find ourselves two or three years into it having to enforce some of the covenants for failure to deliver? Would that not be an unmitigated disaster for the people still waiting for broadband?

Deputy Richard Bruton: I do not accept that mistakes have been made in the way this has been conducted. To put this in context, over €3 billion has been invested in providing high-speed broadband to urban communities. All the contractors are committing to have fibre to the home in urban areas. The decision in the programme for Government to adopt an ambition of having high-speed broadband available to every home so no one would be left behind was the right decision. In the event, all the bidders proposed that fibre to the home was the most cost-effective way of delivering it. At the point at which some of the contractors withdrew, the interrogation of what was being offered was well under way. All three bidders had brought forward proposals in the competitive dialogue. The Department had a strong understanding, therefore, of the parameters of the programme, the likely cost, the technology options and so on. Eir continued to the penultimate stage. Two bidders submitted proposals, which included their assessments of the subsidy required. At the point that Eir withdrew, it was not at a very early stage, leaving one bidder with no benchmark against which its bid could be judged. The Department had been involved in the process over a long period and one of the bidders had gone a significant distance down the road.

On the skills and project management required to roll the plan out, I assure the Deputy that at every point, whenever there was a change in the make-up of the consortium, there was a thorough reassessment of the capacity of the bidder to complete the project. In many cases, the subcontractors to be used were identical for all the bidders. It was not a question of hiring people with no experience. The capacity of the remaining consortium was tested, as was required in the contract, to ensure it was capable of managing the process. Nevertheless, we recognise that one of the criteria for the success of a project such as this, if it is adopted by the Government, will be the governance put in place by the State to oversee not only the contract but many provisions therein that are designed to protect the taxpayer. We recognise that we will not rely exclusively on the company and instead we will have our own governance to protect the taxpayer. We will undertake that work, which will provide a double protection for the State should it decide to proceed with the contract. I understand the concerns, which have also been expressed by other Deputies in the House. We have taken them into account throughout my Ministry and I have always cross-examined what is being done to be satisfied that we accommodate, recognise and take into account concerns raised by Deputy Dooley or other Deputies in our management of the situation. I am satisfied that we have done that, although I will be happy to share more details with the committee in due course, irrespective of how it develops.

Deputy Timmy Dooley: I will bring the section to a conclusion because we could spend all day discussing it. What I and most other people are trying to understand is why the two largest bidders, Siro and Eir, which have the greatest assets on the ground, pulled out. Has the Minister sought to understand why they did so? Would he give any consideration to the charge that they pulled out because they were of the view that only €500 million had been put on the table by the State and they could not put together a comprehensive business plan that made sense and that protected the assets of their organisations while also making a commitment to roll out

high-speed broadband to the 542,000 homes? If so and if that was their understanding and their reason for pulling out, has the Minister any concerns about how it might play out that the one remaining bidder, which has little or no experience and perhaps haphazardly has remained in the race, will now be handed €3 billion, when the two largest players were of the view that all that was available was €500 million? As such, they pulled out, leaving all of us at a significant disadvantage.

Acting Chairman (Deputy Michael Lowry): The Minister has been charged with the responsibility to conduct a review, analysis and assessment of where we were, where we are and proposals of how we might move forward, a recommendation for which is to be presented to the Cabinet. When does he expect that to be concluded? When does he expect he will be in a position to make a recommendation to the Cabinet on the way forward?

Deputy Richard Bruton: I assure Deputy Dooley that there is no foundation to the concept that those who were in the competition felt that a cap of €500 million had been imposed. As I have indicated, at the penultimate stage, before the receipt of final bids, two bidders were submitting proposals, which included their assessment of the subsidy required, and that allowed comparisons to be made. Both Granahan McCourt and one of the bidders which subsequently pulled out had reached the point where they were making their financial assessments of what it would cost. I have no reason to second-guess what the companies said about why they withdrew. They both gave reasons in public and I will not enter a debate about why companies made that decision. The figure of €500 million which has been kicked around related to an entirely different type of proposal, dating back to a much earlier stage when what was being considered was covering a certain number of villages with a hub point. It was not intended at that point that service would be delivered to every home and, therefore, the number to which Deputy Dooley refers related to a much narrower concept.

On the timing of the review, I am working to a schedule which the Taoiseach flagged in the Dáil. He would like me to be in a position to have completed my review and be able to make a recommendation to the Government by Easter. He also flagged that issues such as Brexit could change the precise timing of the Government's schedule, depending on what is being handled in the context of Brexit. My objective is to be in a position to bring forward a proposal around Easter.

Acting Chairman (Deputy Michael Lowry): Will the Minister indicate whether information society services, including cybersecurity, are negatively affected by the revised budget?

Deputy Richard Bruton: No, we have increased our budget for cybersecurity each year. In 2016, only seven or eight people were employed in cybersecurity but there are now 30 people. The budget for cybersecurity has been significantly increased in recent years and the provision for it is continually expanding, depending on need. The new responsibilities being taken on by the 67 essential services that will report will doubtless result in an additional workload for the cybersecurity centre, but we are undertaking an evaluation of that and it is out for public consultation. There is no doubt that all over the world there is increased concern about cybersecurity, and most administrations are investing additional resources, as are we.

Acting Chairman (Deputy Michael Lowry): We will now move on to programme B.

Deputy Richard Bruton: Programme B covers broadcasting. In summary, there is significant support for public service broadcasting and there is a broadcasting licence fee, receipts from which in 2019 will amount to €227 million. RTÉ will receive €199 million of that to meet

its public service broadcasting obligations, while TG4 will receive €36.2 million in separate grant payments as it is no longer processed by the Exchequer. Part of the licence fee, €15 million in 2019, is allocated to the broadcasting fund and goes towards supporting initiatives open to all broadcasters through schemes such as sound and vision. It is designed to encourage creative content from outside of the public service broadcasters, RTÉ and TG4. The fund has been much welcomed by the Oireachtas.

A broadcasting Bill is in preparation and was discussed in the House recently. The Bill will introduce the possibility of new options for collecting the license fee, but that will have to be decided upon. It will also introduce scope for some of the licence fee to be deployed to reduce the broadcasting levy on local broadcasters. I know that is something Members of the Oireachtas and members of the committee, Deputy Dooley in particular, are keen to see. The broadcasting Bill will also afford us the opportunity to debate how the broadcasting fund should be deployed in support of valuable content, both local and national.

Deputy Timmy Dooley: One of the contentious issues with the licence fee has been the failure rate with collection, the truancy rate if we want to call it that. It is estimated at about €30 million to €40 million. A document prepared by this committee contained proposals on the future funding of public service broadcasting. It examined putting control of collecting the licence fee into the hands of the Revenue Commissioners and some preliminary discussions took place between the Minister's Department and the Revenue Commissioners. That might pre-date the current Minister, but perhaps he might enlighten us as to whether those discussions have concluded and what conclusions might have been reached.

Moving to broadening the net for collection, we must examine the consumption of content, to use a rather crude term. As the Minister knows, the strict definition of a television is what attracts the requirement to have a licence. There have been major changes in technology and demands for content and much public service content is now viewed on screens not attracting the need for a television licence. Has consideration been given to broadening the definition to ensure we are capturing the consumption of public service content and that it is being paid for? There is always some debate about the television licence and the impact of raising the cost. On the other hand, however, we must take into account how much people are now willing to spend on technology and subscriptions to Netflix and various other pay-per-view channels through Sky etc.

I still think the licence fee represents good value for money for what is being created. It is often misrepresented that the licence fee is going just to RTÉ. Most of it does at the moment, but the independent production sector does well out of the sound and vision scheme. That creative sector is important for the maintenance of our culture and for employment, and it could do much better if more money was available. The Minister will also be aware, as we have discussed this before, of my wish, and that of the House in a recent Private Members' Bill, that public service news and current affairs, often created by the independent radio sector, be brought under the remit, or at least the funding model, of the Broadcasting Authority of Ireland.

There is a broader space where we can protect and preserve the quality of that content and ensure it is protected in future. We must face up to the challenges associated with the business owned by our visitor to Dublin today, Mr. Mark Zuckerberg. He is on a public relations tour and, I am sure, he is hoping to influence the legislation being drafted by the Minister. I am also sure, however, that will be done independently without being influenced by the public relations spin and lobbying that will undoubtedly be hot and heavy. It would be useful to hear the Minister's views on these matters and the television licence in particular.

Deputy Richard Bruton: The default rate for television licences is recorded at 14.1%. It has declined from 15.3% at the end of 2013, so that represents an increase of 35,000 people from whom it has been collected. Progress is being made and there is a good deal of effort to try to improve that rate further. The working group is due to report imminently and it is not going to be far behind schedule. It was due to report the day before yesterday but I am told the report will be with me shortly. The question of whether we should be looking at alternative collection methods is explored in the report. The options include collection by the Revenue Commissioners or putting the collection of the licence fee out to tender instead of the current legislative requirement. I understand that will be part of the broadcasting Bill because changes in legislation will be required to permit either of those two options. Turning to how money is used, it surprised me but the size of the broadcasting fund is set by legislation to be 7% of the licence fee. It is not decided by the Minister or the Broadcasting Authority of Ireland.

Deputy Timmy Dooley: That may be for a very good reason.

Deputy Richard Bruton: Maybe it is. The Oireachtas will have to consider whether we want to change that. I fully understand the argument Deputy Dooley is making concerning the importance of local radio. From my experience, it is an important forum where it is possible to get the time and space to discuss issues and make a case in an environment less prone to fake news. State aid rules do, however, constrain what can be done. It is not permissible to support the operating expenses of stations from a fund of this nature. The broadcasting fund is for creative content. There will be an opportunity for us to look afresh at these issues when we come to discuss the parameters of the broadcasting Bill.

Acting Chairman (Deputy Michael Lowry): I thank the Minister. We will move on to programme C dealing with energy.

Deputy Richard Bruton: I should have mentioned that the Minister of State, Deputy Seán Canney, will be taking the two programmes that follow. The key element in programme C is support for the Sustainable Energy Authority of Ireland, SEAI. Much work regarding energy does not appear in the Estimates, however. Examples include work done in setting a new goal for renewable energy on our grid or supporting the evolution of the grid to meet our ambitions for microgeneration or renewables. There is no direct support from the Exchequer so that is not included in our Estimates. It is, however, part of the national development plan and significant investment is envisaged. What is in the Estimates is concerned more with the activities of the SEAI. It has significant supports of which I think most Deputies will be aware. Those include the better energy homes scheme, the better energy warmer homes scheme, the deep retrofit pilot, the solar scheme and certain schemes aimed at the enterprise sector such as the excellence in energy efficiency design, EXEED, programme for the large industry energy network.

The other initiative I always like to plug is the better energy community programme because it has the most bang for our buck in terms of impact on carbon emissions. I know County Tipperary has a particular interest in this area because a very successful community scheme has been developed there. Overall, there are 256 sustainable energy communities. Some have gone the more in-depth route of being a better energy community, which involves a higher level of investment. They are really valuable schemes and it should be our ambition to expand them in the years ahead. The other thing worth mentioning is that the programme provides €18.6 million to support the purchase of new electric vehicles. The Deputy will have seen that there has been quite a surge in interest in the purchase of new electric vehicles since the beginning of the year. The final piece to which I wish to draw the Deputy's attention is the figure of €9.7 million for energy research.

Deputy Timmy Dooley: I am okay with that. We are all running out of energy after our last two sessions.

Minister of State at the Department of Public Expenditure and Reform (Deputy Seán Canney): The aim of Programme D is to manage Ireland's mineral, hydrocarbon and other geological resources in a sustainable and productive manner. Funding under this programme allows my Department to provide reliable geoscience support for environmental protection and the sustainable development of Ireland's natural resources and to address the health and safety implications of certain historical mining sites. Funding of €2.75 million is provided for mining services, including some €600,000 for mine safety and monitoring and to develop a detailed plan to facilitate further remediation on the Avoca Mines site.

The programme also includes an allocation of just over €11.6 million for Geological Survey Ireland services, including €7 million for the Tellus and INFOMAR mapping projects. The Tellus mapping project consists of airborne geophysical measurements and ground geochemical sampling. Data from the project will allow for improvement in geological maps, new radon mapping and agricultural mineral maps and will also facilitate better land use planning and research. The INFOMAR project is Ireland's national seabed survey and is managed by the Geological Survey Ireland in co-operation with the Marine Institute. Under the groundwater programme, Geological Survey Ireland's national network of Turlough flood level gauges will provide key data on Turlough flooding to OPW and the local authorities.

Programme E provides grant funding to Inland Fisheries Ireland, which is responsible for the conservation, management and regulation of Ireland's inland fishery resource. Inland Fisheries Ireland will continue to deliver its licensing, permitting and enforcement responsibilities and the rehabilitation of our rivers and streams throughout 2019. The delivery of a wide-ranging set of investments, innovations and promotions under the national strategy for angling development will ensure that Ireland's fish stocks and angling infrastructure are protected and enhanced for both their economic value and their recreational benefit to the communities and visitors they serve across Ireland. The inland fisheries programme includes an allocation of just under €19.9 million towards the staff costs of Inland Fisheries Ireland and the Loughs Agency. The Loughs Agency is a North-South body and is co-funded on a 50-50 basis by my Department and Northern Ireland's Department of Agriculture, Environment and Rural Affairs. Also included in the programme is €13.4 million for non-pay current and capital expenditure by the two agencies.

Acting Chairman (Deputy Michael Lowry): The grant to Inland Fisheries Ireland is being increased by €1.4 million. I do not see a breakdown of that in the Minister of State's commentary. On what does Inland Fisheries Ireland propose to spend the increased allocation?

Deputy Seán Canney: The proposed allocation of an additional €1.398 million is made up of €665,000 for pay and pensions to bridge the gap between actual pay costs in Inland Fisheries Ireland and the amount Exchequer has allocated, €355,000 to pay for increases to staff and pensioners under the public service stability agreement 2018 to 2020, €85,000 for additional staff for the Loughs Agency and €393,000 in dormant account funding for two Inland Fisheries Ireland projects. We opened a disability facility in Mayo. Members might have seen it on television last weekend. This is proof of what is happening with Inland Fisheries Ireland and how it is providing accessibility for everybody. It was great to see this project being carried out.

Deputy Richard Bruton: Programme F deals with resource management, waste management and the circular economy. The big item here involves funding of €36.9 million for the

Environmental Protection Agency. There is also a significant allocation for the remediation of landfill sites.

The other major item is the climate action fund. Members will see that €15 million is scheduled to be drawn down from the climate action fund this year. That reflects the first allocation we made from the fund. Significant elements in that were the public lighting initiative that operates in virtually every county in the country. A gas injection scheme looks at anaerobic digestion converted to methane. The other significant one was the ESB roll out of the electric charging network. That was the first allocation. The total allocation was €78 million but it is leveraging €300 million in terms of its overall impact. This fund came from the Project Ireland 2040, our ten-year plan. There is a €500 million fund to stimulate innovation in the climate action area. It has had its first allocation.

I draw members' attention to the €3 million allocated to anti-dumping initiatives. We have an active call out at the moment for communities to come forward. We hope 300 community projects can be supported under that.

Deputy Timmy Dooley: Looking at the Estimates generally and under various different subheads, I am sure they are compiled in this way with the exception of there being some major project or capital investment. They are generally 5% or 10% up or down on the previous year. It is the general way things have gone. I am not asking the Minister to look into the crystal ball for the next set of Estimates at which we will be looking but when it comes to Programme F, I can only hope that in light of the report that has come from the Joint Committee on Climate Action and the work being done by the Minister that the next set of Estimates at which we will look will not be in the ballpark of increases of 5%. The Minister mentioned the €500 million that is set out over ten years. We are all coming to the realisation that there will need to be a seismic shift in that space. While a couple of million is very welcome in terms of the Minister's announcement yesterday, we really need to be seeing really big announcements if we are to reach the kind of targets we need to reach for the deep retro-fitting of homes. If we are to tackle the issue of trying to come into line with and have a meaningful impact on the transport and heating sectors, we really have to spend money. I accept, and the Minister said it in public, that the Government will not be able to pay for this. The taxpayer will not be able to pay for the kind of change that is needed. We get that but it is going to take very significant financial incentives that will require the Government on behalf of the taxpayer to put its hand in the pocket of the Exchequer and put it out there. There is no doubt that investment in this area is really beneficial in terms of addressing our climate change needs but it will also enhance growth in the circular, or green, economy. We need to change tack very significantly. That will take investment and leadership and the only entity that can do that in order to show confidence that this is the track being taken is the Government. I have no doubt that the Minister knows that but it will be about what the committee can do to assist him in convincing Ministers in other Departments that they must hold off on some of their expenditure in the short to medium term to steer the ship in a different direction.

Deputy Richard Bruton: The Deputy makes a really important point about how we are going to move the dial. He has acknowledged, as I have often said before, that Government cannot fund the level of change that we need. Much of the change that we need is good in itself. It pays for itself and produces a better, healthier environment and a more sustainable relationship with nature. We will definitely have to think about how we persuade people to make the necessary investments. I do not think we will always increase the grant levels in all cases by any means. The Sustainable Energy Authority of Ireland sees grants as an entry-level method to

prime the pump. We need to come up with self-sustaining ways to fund it and ways in which we can get smart finance in and make it easier for people to undertake some of these investments. It talks about behavioural economics and building out our capacities to leverage change.

Regulatory change will also have a role to play to get people to think differently, such as with the near-zero energy buildings or the requirement that all employers with more than 20 car parking spaces will have to have electric chargers by 2025. Those sorts of nudges do not cost the State anything. They may cost the private sector something but they are key enabling technologies for the sort of changes that we have to make. Carbon pricing is another element of that. When I drove in this morning, even though I have a plug-in electric vehicle, I was still generating carbon. I am not paying for that carbon. There is a case that setting a trajectory for carbon prices will help people to make decisions about whether they choose electric, go for retrofit heat pumps or whatever else they change. There will be many elements in the mix to bring about the change.

With respect to the Deputies here, there is a sense that there is a broad political consensus that this needs to be done, is one of the challenges that we face as a community, and that we need to get behind the Citizens' Assembly as a process that has leveraged significant change in our community in the past, even things that we would not have dreamt of being possible ten years ago. We have been able to mobilise change and the model that is being used here with the Citizens' Assembly followed by the committee's work has helped us to mobilise change by citizens and I hope it can on this occasion again.

Acting Chairman (Deputy Michael Lowry): With regard to the Environmental Protection Agency, EPA, there is an increase of €2.1 million. What is the intended use and purpose of that additional fund? Is the provision for purchasing carbon credits expected to continue to increase?

Deputy Richard Bruton: There is a provision for purchasing carbon credits. I think it is at something like €4.5 million. We anticipate that we will be well short of the end-year target which we were to be at in 2020 so even though there was a bit of a surplus early in the period of 2013 to 2020, when we were below our line and therefore earning credits, we will end up with a significant deficit and provision is being made.

The funding for the EPA is a transition of the EPA's non-pay costs from the environment fund to the Vote and for increases due to EPA staff and pensioners under the Public Service Stability Agreement 2018-2020. They are standard increases coming from costs rather than from additional activity.

Acting Chairman (Deputy Michael Lowry): Before I call Deputy Eamon Ryan, we explained to Ministers and officials that Deputy Ryan, our Chairman and Deputy Lawless were meeting with the chief executive of Facebook. We have moved on to programme F, which is environment and waste management, but if Deputy Ryan wishes to raise a query on any programmes, I will allow him to make a submission.

Deputy Eamon Ryan: I must apologise. We were at that meeting. Unfortunately, the timing clashed but it was important for our own work to attend that meeting. I was then stuck in priority questions to the Minister for Transport, Tourism and Sport and I will be running out the door shortly for another engagement. No disrespect to the Minister or officials is meant; it is just one of those days.

I will make one broad point. I think the Joint Committee on Climate Action, of which Deputy Dooley and 18 others are members, as well as myself, did really good work. Even though there was not consensus on a couple of the issues about taxation, there was widespread agreement on some other measures. Critically, it provides a good roadmap for how we organise ourselves and the governance of how we will make this leap. I hope the Government will find it useful when it is drafting its national energy and climate action plan, or whatever it is called now. I do not know if it is the same as the Minister's plan that is due out around Easter. We know we have to do the national energy and climate action plan under European governance rules. I am keen for the Government to open up that process so some of what we have learned from the committee can allow other Members of this House to tease out some complex and difficult issues.

These are Revised Estimates for the present time but the State, Government and this Department in particular should be scaling up and we should be looking at completely different Revised Estimates next October for the following year, and an almost completely different Department. It should scale back and shut down the exploration division and switch some of the expertise and resources to peat restoration, for example. I have said a number of times that the Department needs to scale up to do what we want it to do with regard to energy or programme F, environment and waste management. That might include legislation needed for offshore wind licensing. We have to be quick to get the resources for that. I know from personal experience that there are approximately 250 or so civil servants in the Department. I fear that is not enough. We should be taking 300 officials from the Department of Agriculture, Food and the Marine and 200 from the Office of Public Works, and transferring them in. We should build up a Department that is at the centre of this transformational leap that we need to make.

The Minister and his Secretary General suggested in this all-of-Government action plan that the Minister's Secretary General and the Secretary General at the Department of the Taoiseach have a key role in co-ordinating and organising transition on this scale. I could go on about some of the governance recommendations for the next half an hour. The key leap is not just the Minister's Department but pulling all the agencies and regulators with it. We do things well in this country when everyone is on the same page and everyone understands that there is a long-term political commitment to the scale of change that we need to make. We are getting close to having that. I have been asking all along about where our Whitaker is. We need a Whitaker today to provide the same sort of leadership that was provided in the past in our public service for the scale of change that we need to make now. It is very substantial, it is urgent and it is almost agreed. It is not fully agreed but there is a lot of agreement in our political system. There is an opportunity and the Minister should go for it.

Deputy Richard Bruton: I thank Deputy Ryan and the committee for the work that they have done. It is right, as we have done in this case, to have the Citizens' Assembly followed by the Oireachtas committee and then a Government plan. That approach has helped us to undertake significant change in other spheres of Government. I agree with the Deputy when he says that our Department will need to considerably reorganise and expand its capability to take on this responsibility. We are assessing the types of expertise we need ourselves and how we need to develop that. Every part of Government must recognise that this is their up close and personal responsibility, not just the responsibility of a Minister who happens to have "climate action" in his or her title. Everyone must understand that there is up close and personal responsibility for them, and it is not just the responsibility of a Minister who happens to have "climate action" in his or her title. Unless we get that change, we will not deliver this. The Deputy is right to signal T.K. Whitaker as being a light-bulb moment but interestingly there was not a

massive institutional change that he instituted. It was about a sense of conversion, confidence and self-belief, and about starting to plan to be ambitious, to set targets and seek to reach them. That first paper that he produced and the first economic plan that followed it were not grandiose documents. If we go back and look at them now, we will see how simple they were in many ways. At the time, they were a light shining where none had been shining for many years. This is something similar. We must not think that we can push it over there and that is the job done. I think the committee's report reflects that. The governance is not about me or my successor reporting. What is envisaged is for the committee to hold every Minister to account for his or her area of responsibility. I hope our plan will reflect that. Notwithstanding that, I accept that we need to beef up our capability. I was involved in the Action Plan for Jobs process. One of the things we did early in that process was bring the capability of Forfás into the Department, so we had capability to drive and initiate change and interact with wider parts of Government. It will be the same here. We need to develop that sort of capability.

Deputy Eamon Ryan: Maybe we should take a couple of hundred people out of the Department of Public Expenditure and Reform as well, just to keep everyone on board, and manage them very closely.

Deputy Richard Bruton: The Deputy might say that. I could not comment.

Deputy Timmy Dooley: As the Secretary General would say, that could be career altering.

Deputy Eamon Ryan: Or very brave, as someone said yesterday.

Acting Chairman (Deputy Michael Lowry): Before I hand over to the Chairman, I asked the Minister of State, Deputy Canney, earlier about the position in respect of solar energy and the setting of tariffs. In my own constituency in Tipperary we have a large number of solar farms that have gone through the planning process and expended significant funds in acquiring planning permission. None of them has progressed. At a time when we are promoting renewable energy, people are very frustrated and annoyed with the delay. Companies and groups cannot make further investment until they know exactly what return they are going to get. What is the status of that at the moment?

Deputy Richard Bruton: Mr. Manley may correct me on this if I am wrong. The position is that there are two processes through which solar energy can evolve. One is the renewable electricity support scheme, RESS, which is the successor to these refits. We are now working intensively to develop the capacity to have an auction for that, to be scheduled for about the end of this year. That will be a technology-neutral auction so whether it be solar, wind or whatever, people can come in and bid on a level playing pitch for access to the grid.

The second piece is the development of microgeneration, which has also been the subject of discussion in the House. We are obliged to create a microgeneration framework under EU legislation by the middle of 2021 at the latest. We are examining what it will take to create a microgeneration network. It throws up some tricky enough issues around pricing, standing charges and so on, which we have to work through. We are determined that microgeneration should be part of a mix. It is really important that we encourage people to look at their own energy use and seek to replace what they are doing with renewables. In some instances, they will have surplus to sell to the grid and that represents the scope for a price for that microgeneration. Those are the two channels through which this is working. They will be a significant part of our own plan but we also hope that we will be able to develop them. There are a number of levers available under the RESS to prevent any one technology from dominating the whole pie,

as it were. There is capacity for making sure that while it is technology-neutral, one technology does not scoop the pool.

Deputy Timmy Dooley: My concern was that it be technology-neutral but not the lowest price. That is important. There is nascent technology out there and if we are to try to become an industry leader or have some capacity to get ahead of the rest, it is really important that we try at this early stage to get some advantage in the offshore space. I accept that it is eight to ten years out but if we look at what has happened in the last ten years, and I am not being politically critical here, very little has happened in terms of turning that dial. There really is capacity to turn the dial if we can capture the offshore wind capability that we know is there. It would be a terrible loss if we failed to take advantage of the opportunity, not just in capturing the energy but in capturing the investment associated with it and the potential run-off jobs that would come from that. This is not going to happen by just getting lucky from an auction. We will have to develop a clear policy ourselves, perhaps separate from the renewable energy piece, which would bring the Department of Enterprise, Trade and Employment on board as well and would seize an opportunity and would put the supports in place.

It is about more than just meeting our demands for renewable energy. We see a capacity to grow and develop an actual industry here. There is real opportunity given the timeframe and where we are now within the space. We have seen it happen with the manufacture of solar technology in China and the drop in cost of the solar PV cells. They have really come down in price and the same is going to happen with offshore wind as soon as companies reach that critical mass of orders. There is a great opportunity there but we have to have the appropriate policy in place to make it happen.

Deputy Richard Bruton: Just to confirm, we will seek to have a road map for offshore wind to come on board. As Deputy Eamon Ryan said, we need to upgrade the Foreshore Act. The Taoiseach is taking a particular interest in driving that forward and there is a cross-Government team working on it. We also recognise that offshore wind could be lumpy in terms of the units so we will have to look at it differently from just a technology-neutral frame. We need to recognise that it is very early and we have very significant capacity. Going back to my old haunts, I was very pleased to be out in Enterprise Ireland recently where it had an offshore network of Irish companies that have formed a network. They are already selling their capability into the UK offshore but they are a nascent capability. All going well, we will see the development of their expertise and the scaling up of their operations.

Acting Chairman (Deputy Michael Lowry): We will move onto Programme G, appropriations-in-aid.

Deputy Richard Bruton: These are the income receipts of my Department. The vast majority relate to the TV licence, €227 million, as I said. The balance comprises mining and petroleum income amounting to €8.8 million; some €4.3 million in pension levy and pension contributions; and some €2.5 million in other miscellaneous items.

Deputy Hildegarde Naughton took the Chair.

Chairman: If there are no further question on that, I will move on to the environment fund.

Deputy Richard Bruton: That was established by the waste management fund in 2001. In excess of €830 million has been raised by the fund through the plastic bag levy and the landfill levy. These environmental levies achieved their objectives in reducing usage of plastic bags

and tonnage of waste going to landfill. Revenue into the fund has fallen in recent years. The number of plastic bags subject to the levy fell from 328 per person per annum prior to its introduction to seven in 2017. The decline in revenue from the landfill levy has accelerated following the opening of the waste to energy facility at Poolbeg in Dublin in 2017. That demonstrates the effectiveness of the scheme.

Chairman: That concludes our questioning. I thank the Minister, the Minister of State and their officials for assisting the committee in its consideration of the Further Revised Estimate for the Department of Communications, Climate Action and Environment.

Deputy Richard Bruton: I thank Mr. Michael Manley, Mr. Matt Collins, Ms Finola Rossi, Mr. Robert Deegan and Mr. Jim Whelan, as well as the Minister of State, Deputy Canney, for supporting the presentation of the Further Revised Estimate. I also thank Deputy Lowry for chairing part of the meeting in the absence of the Chairman. I thank Deputy Naughton for the work she did in putting together the recently published climate action plan which I acknowledged at the start of our discussion.

Chairman: I thank the Minister and apologise for my absence which Deputy Lowry explained. I also thank the Minister, the Minister of State and their officials for their attendance.

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 following Estimate for public services for the year ending 31 December 2019: Vote 29 - Department of Communications, Climate Action and Environment (Further Revised).

The select committee adjourned at 4.25 p.m. *sine die*.