

DÁIL ÉIREANN

AN ROGHCHOISTE UM IOMPAR AGUS LÍONRAÍ

SELECT COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Déardaoin, 25 Samhain 2021

Thursday, 25 November 2021

Tháinig an Romhchoiste le chéile ag 10.30 a.m.

The Select Committee met at 10.30 a.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	
Joe Carey,	
Steven Matthews,	
Hildegarde Naughton (Minister of State at the Department of Transport),	
Darren O'Rourke,	
Ruairí Ó Murchú.	

Teachta / Deputy Kieran O'Donnell sa Chathaoir / in the Chair.

Estimates for Public Services 2021

Vote 29 - Environment, Climate and Communications (Supplementary)

Vote 31 - Transport (Supplementary)

Chairman: No apologies have been achieved. This morning's meeting is to consider the Supplementary Estimates for the public services in respect of programme A of Vote 29 - Department of the Environment, Climate and Communications, and Vote 31 - Department of Transport.

I remind members that the committee has no role in approving the Estimates. It is an ongoing opportunity for the committee to examine departmental expenditure, to make the process more transparent and to engage in a meaningful way on relevant performance issues. I welcome the Minister of State, Deputy Naughton, and her officials to the meeting. They are most welcome.

Witnesses are reminded of the long-standing parliamentary practice that they should not criticise or make charges against any person or entity by name or in such a way as to make him, her or it identifiable or otherwise engage in speech that might be regarded as damaging to the good name of the person or entity. Therefore, if their statements are potentially defamatory in relation to an identifiable person or entity, they will be directed to discontinue their remarks and it is imperative that they comply with any such direction. Witnesses attending remotely outside of the Leinster House campus should note that there are some limitations to parliamentary privilege and, as such, they may not benefit from the same level of immunity from legal proceedings as witnesses who are physically present. Witnesses participating in this committee session from a jurisdiction outside the State are advised that they should also be mindful of their domestic law and how it may apply to evidence they give. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against any person outside the Houses or an official by name or in such a way as to make him or her identifiable.

For anyone watching this meeting, Oireachtas Members and witnesses have the option of being physically present in the committee room or to join the meeting remotely via Microsoft Teams. I think that is about to end shortly. I hope that the Minister of State will be our last witness who is physically present and that the changes regarding committee sittings will mean that we will soon return to a situation where only the Chair and the clerks will be here in the committee room. Witnesses will then have to attend remotely. That will be for a time, and hopefully not for too long. I think the presence of witnesses in the room is far more productive and interactive. I remind members of the constitutional requirement that they must be physically present within the confines of the Leinster House complex to participate in public meetings. Reluctantly, I will not permit members to participate where they are not adhering to this constitutional requirement. Therefore, any member who attempts to participate from outside the precincts will be asked to leave the meeting. In this regard, I ask any member participating via Microsoft Teams, prior to making his or her contribution to the meeting, to confirm that he or she is on the grounds of the Leinster House campus. If attending in the committee room,

you are asked to exercise personal responsibility to protect yourself and others from the risk of contracting Covid-19. I strongly advise the practice of good hand hygiene and to leave at least one vacant seat between you and others attending. One should also always maintain an appropriate level of social distancing during and after the meeting. Masks should be worn at all times during the meeting except when speaking.

I call the Minister of State to make her opening statement.

Minister of State at the Department of Transport (Deputy Hildegard Naughton): I thank the Chair. Apologies, the Minister, Deputy Eamon Ryan, is unable to attend the meeting and I have stepped in.

Chairman: The Minister of State is just as good.

Deputy Hildegard Naughton: Hopefully. I thank the Chair and the committee for this opportunity to present details of this Supplementary Estimate for Vote 31 - Department of Transport, and for programme A of Vote 29 - Department of the Environment, Climate and Communications.

Taking the Department of Transport first, the Supplementary Estimate is divided into two parts, a substantive Estimate, voting additional funds to the Department, and a technical Estimate, voting the reallocation of savings within the Department's subheads.

The Supplementary Estimate for the Department of the Environment, Climate and Communications is a technical Estimate, voting the reallocation of savings within the Department's subheads.

As agreed in the budget, €90 million will be allocated to supports for the aviation sector in the context of the impact of Covid-19. The aim of additional financial support will be to provide the State's airports with the necessary funds to incentivise air routes, provide discounted airport charges and, ultimately, accelerate the restoration of air connectivity. The funding will be provided to the airport authorities. They are best placed to determine where the supports should be targeted to restore lost connectivity, including on long-haul routes where relevant.

A sum of €1.348 million is being allocated to address the shortfall that arose as a result of the introduction of an emergency heavy goods vehicles, HGV, Covid-19 testing regime. On 28 January 2021, France introduced a legal requirement whereby commercial vehicle drivers travelling on ferries from Ireland to France had to have proof of a negative Covid-19 test result, from either a PCR or antigen test, that had been obtained within the 72 hours prior to embarking on a ferry journey to France. The French decree which included this legislative requirement was published on 24 January 2021, giving very short notice for truck drivers to meet these new requirements. It was considered appropriate for the State to pay for private antigen tests for truck drivers to ensure essential supply chains remained open and in the context of the precedent in the UK, where provision had been made for HGV drivers to obtain free Covid-19 tests since 23 December 2021. Government decision S180/20/10/0648H, dated 19 January 2021, noted that sanctioned spending between €2 million and €5 million could arise. A total of €1.348 million was spent before the scheme was discontinued.

Turning to the technical Supplementary Estimate, €30 million is being allocated to Transport Infrastructure Ireland, TII, for national roads protection and renewal. The funding will assist in maintaining the national road network to a high standard and is in addition to the €294.1 million in Exchequer funding already allocated for this purpose in 2021. The funding will be

invested by TII in protection and renewal of existing road assets, with a particular emphasis on safety and repavement works.

A sum of €46 million is being allocated to address the shortfall in electric vehicle, EV, grant funding. Responsibility for the grant schemes to incentivise the transition to electric vehicles transferred to this Department from the Department of the Environment, Climate and Communications on 1 January this year. The Sustainable Energy Authority of Ireland, SEAI, administers these schemes on behalf of the Department and that organisation was allocated €36.5 million for this purpose from the Department's Vote. It is helpful to note that the schemes are demand-led and the grants operate on a commitment basis.

To meet the climate action plan target, a significant ramp-up in EV purchase levels is required, notwithstanding recent progress. The Department of Transport has developed a trajectory for the EV share of the fleet on a year-on-year basis to 2030 to support policy monitoring and evaluation. The Department anticipates that subhead B6, carbon reduction, is likely to be significantly overspent by year-end, due to the extraordinarily high level of demand placed on both programmes in 2021 by a marked, and welcome, increase in consumer demand for EVs.

The following savings have been identified with the context of the Department's Vote, with a total of €76 million earmarked for reallocation. Of this, €29 million has been allocated in 2021 to support the A5 road running from the Border to Derry. This scheme has not yet commenced as it is the subject of a Northern Ireland Planning Appeals Commission inquiry. The funding is ring-fenced within the Department's Vote. Normally, the ring-fenced funds would be returned to the Exchequer at the end of the year. However, as it is not expected that the scheme will proceed until 2023, the Department of Public Expenditure and Reform has sanctioned the use of the unspent funds in the Supplementary Estimate.

Another €6 million is being utilised arising from unspent funds as a result of continued delays to the commencement of construction on new Coast Guard buildings for Westport and Greystones. A €16 million underspend in commercial EV grant schemes is being utilised to address the overspend in the non-commercial EV grant scheme. This is supplemented by €25 million in underspending on cycling and walking programmes, as these programmes continue to ramp up their capacity to absorb the full allocation of annual ring-fenced funding.

Turning to the 2021 technical Estimate for the Department of the Environment, Climate and Communications, some €28 million is being allocated to the energy programme and will be added to a €132 million forecast capital underspend on the sustainable energy programmes to facilitate the transfer of €160 million in the context of the energy efficiency national fund. The transfer to this fund will provide additional supports to households impacted by rising energy prices. A sum of €24.5 million is being allocated to the environment and waste management programme to provide additional funding in 2021 for climate financing, litter initiatives and additional carbon credit purchases. In addition, funding is being provided for the reimbursement of the climate action fund for 2021 expenditure on the Bord na Móna bog rehabilitation project.

By the end of the year, the Department is forecasting a substantial capital surplus of €246 million, which arises mainly due to the impact of Covid-19 on the delivery of two of the Department's largest projects. Those are €80 million on the national broadband plan, NBP, and €132 million on the sustainable energy programmes. The extensive Covid-19 related restrictions on construction activity between January and mid-April had a significant impact on activity on both the national broadband plan and the sustainable energy programmes this year. National Broadband Ireland commenced connections to the new fibre network in January. However due

to level 5 Covid-19 restrictions that were in place until April which closed the construction industry, with certain exceptions, National Broadband Ireland sought an extension of milestones to be delivered in 2021. A revised target for premises passed by the network to 59,432 premises passed was agreed with the Department. This is a 40% reduction on the original target of 102,000 premises passed. National Broadband Ireland has also faced further complexities working with existing networks that have also impacted on progress. This includes challenges arising in the roll-out of fibre broadband in a rural environment such as significant tree trimming to ensure that cables can be placed on overhead poles and remediation of ducting. Building work is now progressing across the 20 deployment areas with 277,000 premises now surveyed. Enabling work is now under way in a further 16 deployment areas.

On the energy side, level 5 restrictions in 2020 and 2021 meant that waiting lists on the warmer homes scheme have grown. SEAI data indicate that for homes completed in the first half of 2021, the average time from application to completion was almost 26 months. Every effort is being made to maximise activity output since the recommencement of construction activity in the residential and commercial sectors in mid-April. However, it is inevitable that a substantial budget underspend will accrue by the end of the year. There is no additional cost to the Exchequer associated with the initiatives being brought before the committee today. They are being funded from within the 2021 allocation of the Department of the Environment, Climate and Communications on a once-off basis.

Deputy Ruairí Ó Murchú: Will the Minister of State give some more detail on electric vehicles, EVs? There is a conversation to be had with all stakeholders to ensure that we have an infrastructure that makes people more prepared to buy the vehicles if they have the money. We accept these are incredibly costly vehicles. Industry also has its difficulties around chips etc.

There is a narrative around our failure to reach targets on the public electric vehicle fleet. What are the plans to rectify that and get us back on track? They are the Department's targets and the Minister of State needs to deliver on them.

Deputy Hildegard Naughton: On incentivising the purchase of electric vehicles, there is some positive news on the levels of uptake among those purchasing EVs. I take the point that we have ambitious targets, with 1 million vehicles by 2030. We want to look at incentives such as low-interest loans. An office or one-stop-shop has been set up for those who want to purchase electric vehicles and seeing how we can incentivise that. By the middle of this decade, that is, by 2025 or 2026, the cost of an EV or a petrol or diesel vehicle will be on a par. The trajectory will be out to 2030. We are not saying that everyone needs to buy an electric vehicles in the next year or two. There is an increase of approximately 25,000 new registrations in 2021 to meet the target of 42,540 registered EVs on Irish roads. The number of new EVs registered to the end of October this year is 16,000. EVs now represent 15.59% of total car registrations. Work will have to take place in that regard. The reason we are here today is to say that we will continue the roll out of the grant scheme. The charging system across the country is also key because of range anxiety. The ESB is rolling out that infrastructure across the country. It is an ambitious target. The Government and the Minister, Deputy Eamon Ryan, is working to ensure that we can back up the infrastructure availability with those who want to purchase vehicles. We do have a ten-year window. We want to incentivise people in order that they are able to afford it.

Deputy Ruairí Ó Murchú: I assume that would mean constantly reviewing the grant schemes, including the one for taxi drivers, to ensure they are fit for purpose. I accept that the Minister must have a great deal of engagement with the ESB and other stakeholders on the loca-

tion of the infrastructure. It is necessary to do it but unless there is improvement on prices we can have all the plans we want. All of it should get easier and technology will improve.

Without getting into technical detail that I do not understand myself, I expect there has been considerable engagement with industry on issues around EVs and the longevity of batteries in particular. Can the Minister of State give us any details on that?

What are the plans around the public fleet? We need to meet those targets and that is something in the Government's gift.

Deputy Hildegarde Naughton: The area of electric vehicle promotion has moved from the Department of the Environment, Climate and Communications to Transport. The Minister, Deputy Ryan has done that. That is under the carbon reduction subheading. Preparations are under way to establish an office of low emission vehicles. It will play an important role on the areas the Deputy outlined. It will engage closely with the public, with businesses and with public sector consumers to drive the availability of and understanding information around EVs. There will be a whole new awareness campaign around it. The public sector will lead the way. For example, many of An Post's vehicles across the country are low emission vehicles. It will also look at the strategic placing of the charging infrastructure in places such as rail stations, hotels and key areas across the country. Therefore there will be a concerted effort around the roll out of the infrastructure and examining how we can inform people.

Many are not ready to change cars in the next two or three years but they may be ready in five or six years' time. Hopefully technology will have evolved further and there will be other support schemes in place, such as commercial vehicles and getting a grant of up to €10,000 to support purchase by hackney drivers and the limousine sector. There is also a scrappage scheme for commercial vehicles which are more polluting and high mileage. They are eligible for double the normal grant if they make a switch to electric with up to €20,000 available for a new battery electric vehicle, BEV. That office of low-emission vehicles will be a key part of ensuring that we can raise awareness and let people know what grants are available and do the work on rolling out the infrastructure across the country.

Deputy Ruairí Ó Murchú: Can we have an update on the review of the post office network? The committee had an engagement yesterday with the chair designate. There is a question of the added services that are required. There may be issues around tendering around the social and community part that needs to be considered when considering what the post office does. It should be able to tender in the same way as others.

There was a piece in the *Business Post* on the national broadband plan and duplication. We have asked the Minister, Deputy Eamon Ryan for an update. The Minister disputed the figure indicating that 45,000 properties or premises have been passed by Eir in the area covered by the national broadband plan.

I note the request from National Broadband Ireland for a resource to be provided at local authority level to facilitate the company, particularly when the acceleration element proceeds. In other words, it requires that a single person would have the juice, for the want of a better word, with respect to planning and engineering, as opposed to it having to deal with the broadband contact who would then have to go to other people.

Deputy Hildegarde Naughton: On broadband, work is under way and there must be a point of contact in local authorities to be able to deal with any challenges National Broadband

Ireland will have in the roll-out of broadband in the local authority area. I will ask the Minister to revert to the Deputy on his query about 45,000 properties if that is okay.

Deputy Ruairí Ó Murchú: That is all right. The Minister disputed that figure. The big issue is that action would be taken as quickly as possible. The plan is the plan at this stage. Once we meet the acceleration figure of 60,000, it will at least mean we are keeping up to speed with where we need to be at this time.

The mobile phone and broadband task force needs to be reconstituted. It should fall under the remit of the Department rather than under the Department of Rural and Community Development. It should be a clearing house for industry and should do a piece of work bearing in mind that even with the acceleration process, some people will be waiting for four or five years for connectivity. Engagement is needed with industry and people need to be offered interim alternatives.

Deputy Hildegarde Naughton: Unfortunately, the Minister was not able to attend today to deal directly with those issues but I will convey the details to him.

On the Deputy's question on An Post, the interdepartmental group chaired by officials in the Department of Public Expenditure and Reform is examining services Departments can provide to An Post with respect to offline services. The dilemma is that everything, including Departments, is going digital and online. My focus is to ensure we have a viable post office network. We are working across government to ensure our postmasters and the post office network are supported in order that they can provide essential services. I do not need to tell anyone here about the importance of their role throughout the Covid-19 pandemic. They are an important link in their local communities. That work is ongoing. I will meet the Irish Postmasters' Union in the next week or two.

Deputy Ruairí Ó Murchú: What is the timeline for concluding that work?

Deputy Hildegarde Naughton: I hope it will conclude imminently. I want to liaise with my Government colleagues on this to ensure we are protecting the post office network across the country and ensuring it has a sustainable and viable future. There is complexity around the way we do that in this modern digital era but we must find solution to support the network.

Deputy Ruairí Ó Murchú: The more services the post offices can deliver, the better.

Deputy Hildegarde Naughton: Yes

Deputy Joe Carey: The Minister of State is welcome to the committee. She touched on the €90 million allocation for aviation Covid supports. That funding is welcome and members of this committee have pushed for it. It will help airlines re-establish key strategic routes and, in the case of Shannon Airport, it will help with routes to Heathrow, Boston and New York. It is encouraging to see those services reconnected. The Minister of State will remember meeting representatives of Shannon Chamber of Commerce who did a paper on this matter.

I welcome that Shannon Airport has been included in the regional airports funding programme, for which this committee also pushed. While those supports are to take account of the current position, looking forward, can the Minister of State give an assurance Shannon Airport will continue to be included in that funding programme? With respect to the €90 million allocation, can she give a commitment that this type of funding will be made available to our State airports going forward?

It is projected we will not return to 2019 passenger traffic levels until 2024. The Minister of State will be aware that in 2019, Shannon Airport contributed €3.6 billion to GDP and underpinned 43,500 direct and indirect jobs. It is of critical importance that the airport and airlines have certainty in order that they can plan into the future. I would welcome an assurance from the Minister of State that funding will be made available to help the aviation industry to get back on its feet and underpin those routes in the years ahead.

Deputy Hildegard Naughton: I thank the Deputy for his questions. We have had many conversations and the Deputy has highlighted, as have other colleagues, the importance and viability of Shannon Airport. This relates not only to aviation but the whole mid-west region, hospitality and foreign direct investment. I thank the committee for its efforts and assistance in keeping the focus on the mid-west region and the need to support our airport infrastructure as a starting point. Since the airports reopened on 19 July, our focus must now move to enabling Shannon Airport and our other airports to deal directly with airlines. That is where the €90 million allocation comes in. The decision on its approval is currently with the European Commission because it needs state aid approval. I will explain the background to the €90 million allocation. The previous allocation was €20 million for a Covid-19 damages scheme for Irish airports. It was specific to Covid-19 but we must continue to support our airports and aviation sector. We are an island nation. We do not have the benefit of having a rail link with other European countries. We rely on aviation. That is one part of the package.

Regarding the regional airports programme, as the Deputy will know, previously Kerry Airport, Ireland West Airport Knock and Donegal Airport came under the regional airports programme because they had fewer than 1 million passengers per year. Shannon Airport now comes under that programme, as does Cork Airport. Some €36 million was provided as part of the regional airports programme. If Shannon Airport's passenger numbers remain under 1 million per year - not that we would want that - it will remain under the regional airports programme. The Government has indicated we will continue to consider every sector as we come out of this pandemic to ensure all of them are supported.

Deputy Joe Carey: I understood there would be no impediment to an airport's inclusion in the programme if it had under 3 million passengers per year. Shannon Airport has not reached that level in many years. I welcome the inclusion of Shannon in the fund programme. I would like the Minister of State to give an assurance that Shannon Airport will be included in the programme in 2022, 2023 and 2024. Shannon Airport would then be on a level playing field with the other airports the Minister of State mentioned and with which it is competing. Such an assurance would be positive. There is no impediment to including Shannon Airport in the programme from the point of view of state aid at EU level if its throughput of passengers is under 3 million per year.

Deputy Hildegard Naughton: I assure the Deputy I will continue to ensure Shannon is supported by whatever means possible. The Covid-19 damages scheme was specific to Covid. Shannon currently falls under the regional airports programme. If the Government is serious about regional connectivity, we need to ensure Shannon Airport thrives and is supported. As part of the €90 million package, I do not need to tell the Deputy that the transatlantic element will be key for Shannon Airport and many airlines. It provides a profit margin to ensure they secure transatlantic connectivity. That is what this funding we have allocated, which I hope will be approved by the European Commission-----

Deputy Joe Carey: Why did the Government have to seek approval for it?

Deputy Hildegarde Naughton: It requires approval as state aid funding under the Treaty on the Functioning of the European Union.

Deputy Joe Carey: When does the Minister of State expect a decision on it?

Deputy Hildegarde Naughton: I expect one imminently but the funding will be allocated before the end of the year. The €90 million has to be allocated before the end of the year. It is imperative we ensure airports such as Shannon Airport, which did a fantastic job pre-Covid and is on a positive trajectory, can continue to grow. That will be done through these funds. We will work to ensure that with the airport and its new chairman, Mary Considine, who is doing fantastic work. This issue is constantly evolving and is kept under constant review. We must keep in constant contact with all our airports. I will meet Shannon Airport management shortly. This is constantly under review.

We had started work on national aviation policy, pre-Covid, before I came into this Department and it was put on hold because of Covid-19, where everyone's focus was. However, now is a good time, as we are coming out of this pandemic and looking at what aviation looks like in that recovery. It is in flux, but that work will start again. That is where working with this committee and working with aviation stakeholders comes in. Through the Labour Employer Economic Forum, LEEF, I have met with representatives of airlines and airports and dealing with workers. It is about listening to the different groups on what is required and ensuring we have that international connectivity, as an island nation.

My assurance to the committee is that I will continue to work with Shannon and the stakeholders down there. I have met with the chambers of commerce which have been very constructive and that helps me in my role. I want constructive suggestions and ways we can move forward, to get positive results, not just for the mid-west region, but for Ireland.

Deputy Joe Carey: I raised the issue of 34 RSA driver instructors. I did not see any reference in the Estimate here, but I was led to believe a submission was made by the Minister of State's Department, from the RSA, to the Department of Public Expenditure and Reform, DEPR, seeking sanction to take these people on, on a permanent basis. They would have been employed through a strenuous requirement process in 2017-18 and they are highly experienced. They are working in counties Clare, Galway, the Minister of State's constituency, and Limerick. Some of these people were due to be let go on a phased basis between now and next May.

I raised this in the Dáil last week and the Minister, Deputy Ryan, confirmed that plan was put on hold and these people would not be let go until at least next May, which is welcome. However, it is really only a sticking plaster solution, because 66,000 people are waiting on driving tests. The very idea that we, as a State, will let go 34 professional and competent people who can deal with driving down these lists is incredible. I welcome the reprieve that has been given, but there is need for more certainty than that.

We need to be looking after these people who have put in the service over the past three or four years. We need their services to address the growing lists of people looking for driving tests. It is important a concrete solution be put in place and that these people would be taken on, on a permanent basis. I want to hear the Minister of State's views on that.

Deputy Hildegarde Naughton: The waiting times for driving testing have been an issue. The Department is in constant contact with the RSA, for which driving testers is an operational matter. With regard to any request that has come to the Department for extra resourcing for this,

we are in contact with the RSA to try to reduce the driving test waiting times, which have come down. It is not perfect, but they have reduced throughout the country. We will be liaising with the RSA on its driving tester requirements. Any request that comes into us has been granted. Like everything else throughout the country with Covid, we have to assess where we are on looking at the waiting times and whether they are being reduced or whether more staff are required. These are the decisions the RSA has to make. We are putting pressure on to reduce the waiting times and get people through the testing system as quickly as possible.

Deputy Joe Carey: The Minister of State allocated funding to take on 40 additional testers. Is that correct?

Deputy Hildegard Naughton: That is correct.

Deputy Joe Carey: She allocated further funding to take on another 40. In fairness, the Department funds the RSA.

Deputy Hildegard Naughton: That is exactly what I said-----

Deputy Joe Carey: Would she be concerned if they were to let 34 highly-qualified driving testers go? If the testers are not in place, the waiting times will not be reduced.

Deputy Hildegard Naughton: That is what I have said. The Department, through DEPR, funds the resourcing and it is an operational matter for the RSA to ensure it is reaching the targets, such as the ten-week waiting period to get a test. It is operational and a moving target for the RSA and we then are in communication with it on it reaching its targets, but it is an operational matter for the RSA. However, the funding has been allocated.

Chairman: The RSA has issues with funding for retaining these staff. Would the Minister of State consider that, if a submission came in from RSA?

Deputy Hildegard Naughton: We are in constant contact with the RSA and the Department and it is a matter for DEPR. Hiring of these drivers is an operational matter for the RSA. We are in contact-----

Chairman: No, no, no, but if-----

Deputy Hildegard Naughton: -----about the allocation of funding around that. However, the hiring of them is a matter for the RSA.

Chairman: No, we are not in any way questioning the operational matter. The RSA operates it. However, we could be at cross purposes here. It is something that we will take up with the RSA, but if the issue here is that the RSA has inadequate funding to retain these 34 driving instructors, the committee is duty bound to ask. If it is a funding issue, I assume discussions are ongoing between the RSA and the Department on this.

Deputy Hildegard Naughton: If the RSA applies for funding to the Department, of course that will be considered. It always has been.

Chairman: That is fair. Is that okay with Deputy Carey?

Deputy Joe Carey: It is something the committee may revisit, because other Deputies have raised this question too.

Chairman: The committee will take it up with the RSA and then we will consider it and

come back to the Minister of State. I have a few questions for the Minister of State. I will follow on from Deputy Carey's questions on the €90 million allocated for rural support. My understanding is the Government had to get approval from the European Commission for the €20 million. I thought that set a precedent and, therefore, it would not be required on this round. Is it a different type of scheme from the €20 million scheme?

Deputy Hildegarde Naughton: It is the same scheme, but it is extra funding. Since we had received the approval for the €20 million previously, we assume and there are positive indications, this €90 million will not be an issue, and the Covid damages are still in place.

Chairman: Is it the exact same type of scheme?

Deputy Hildegarde Naughton: It is a similar scheme around connectivity, airport charge rebates, parking and all of those.

Chairman: Shannon has a significant season in terms of numbers. It was measured between March and June, but I am open to correction on that. What period is being looked at for the reduction in passenger numbers? Is it the same as the original application?

Deputy Hildegarde Naughton: The €90 million allocation is based on 2019 passenger numbers.

Chairman: Between which periods does that compare?

Deputy Hildegarde Naughton: I do not have the dates, but it is the period of 2019. I can come back to the committee on that.

Chairman: Obviously, there is a significant seasonal aspect with Shannon. If one is comparing March and June, one will not see the same figures as from March to July, because there is considerable summer business. Will it be paid to the airports or the airlines?

Deputy Hildegarde Naughton: To the airports. The reason for that is to enable the airports to do what they do best. They are commercial entities. Shannon knows exactly the routes, incentives and connectivity it needs, such as the transatlantic routes. We want to enable the airports to do what they were doing pre-Covid, which they did very well, to incentivise, bargain and negotiate with the airlines.

Chairman: Is it up to the airport how it uses the money it will receive?

Deputy Hildegarde Naughton: Yes, it is to incentivise connectivity to ensure that-----

Chairman: However, it has discretion as to how that is used in terms of incentives.

Deputy Hildegarde Naughton: There are-----

Chairman: Does the Minister have the time period?

Deputy Hildegarde Naughton: I do not have the exact months, but it is on a *pro rata* basis, based on 2019 passenger levels.

Chairman: I hope some seasonal factor is taken into account, because relative to Dublin passenger numbers, a much higher level of numbers come through Shannon in the summer, rather than the winter months, yet the winter months are vital for connectivity in terms of transatlantic, Heathrow and other routes. It is vital for us because we have both the business and

tourism dimensions. We welcome that decision. Will the airport receive the funding at the end of this year?

Deputy Hildegard Naughton: It will receive the funding before the end of this year. It is funding for 2021.

Chairman: How that funding is used will be at the discretion of the airport. Is that correct?

Deputy Hildegard Naughton: Yes.

Chairman: Are we talking about the first or second week in December?

Deputy Hildegard Naughton: There is discretion in the context of connectivity, airport charges rebates, aircraft parking and so on. The criteria is the same as the last time.

Chairman: Airport charges are included.

Deputy Hildegard Naughton: Yes.

Chairman: Shannon airport is obviously very important to us, but I will move on now to the issue of road haulage. Is the Minister of State due to meet the Irish Road Haulage Association, IRHA, in the next week?

Deputy Hildegard Naughton: Yes. The Minister for Transport, Deputy Eamon Ryan, and I will meet the IRHA next week.

Chairman: When is that meeting?

Deputy Hildegard Naughton: Late next week.

Chairman: The price of diesel has increased by 28% in the last year. It now costs approximately €1.63 per litre, which is very high. We have a rebate scheme in place. I ask the Minister of State to outline her views on what can be done to alleviate the pressure on hauliers. Obviously, the global price of fuel is dictating the price at the pump to an extent, but the Government must do everything it can to assist businesses through this price shock period. Hopefully the price will stabilise over time. Has the Minister of State and the Minister given consideration to what can be done for road hauliers, many of whom employ people all over the country?

Deputy Hildegard Naughton: I am in constant contact with the IRHA and the Freight Transport Association of Ireland, FTAI. As the Chairman said, the spike in fuel prices is a global issue. It is based on a number of factors including exchange rates, contracts that are negotiated-----

Chairman: Nevertheless, the problem is very real for road hauliers at the moment.

Deputy Hildegard Naughton: Absolutely, and as the Chairman mentioned, we already have a diesel rebate scheme. Also, businesses can claim back the VAT on fuel and other motor-ing costs. It is outside the remit of the Department of Transport in terms of what can be done in that area but I do know that the Minister for Finance and the Minister for Transport are engaging on the issue.

Chairman: Would the Minister of State envisage an adjustment being made to the rebate scheme?

Deputy Hildegarde Naughton: I cannot pre-empt anything-----

Chairman: There are discussions under way-----

Deputy Hildegarde Naughton: I cannot pre-empt anything that might be decided. What I can tell the Chairman is that I will continue to engage with the IRHA and FTAI on this issue but there are other levers across Government in respect of finance that will need to be-----

Chairman: Are the Minister for Transport and the Minister for Finance-----

Deputy Hildegarde Naughton: -----considered as part of this. It is not just a Department of Transport issue. Obviously, the Department of Finance will be involved.

Chairman: Are discussions taking place between the Minister for Transport and the Minister for Finance?

Deputy Hildegarde Naughton: There is engagement right across the Government. The Minister for Finance and the Minister for Transport will be engaging on this, as will the entire Government. This is part of a broader issue regarding increases in the cost of living. There are certain things we can control but there other things that we cannot control because they are global issues. What we want to do is ensure that our road haulage sector is supported as much as possible and to do that in a workable way, through various schemes-----

Chairman: The rebate scheme operates on the basis of the price going above a certain level and it is clearly a mechanism that needs to be considered. The issue here is to deal with the acute spike in price that is crippling the haulage sector. Hopefully over time the price will reduce. I welcome the fact that discussions are ongoing between the Department, the IHRA, the FTAI.

Deputy Hildegarde Naughton: Very briefly, some of the other things we are doing in this area include the alternative fuel vehicle grant scheme and the reduction in tolls. A number of things are being done but none is a silver bullet on its own. There is a range of grants and schemes that we are looking at but some of them involve Department of Finance decisions.

Chairman: The problem for road hauliers is that as they fill their vehicles with diesel, they are draining their bank accounts. This is about hard core business. Those in business are worried about their bank and about breaching their overdraft agreements. They need a little bit of headroom. The Government must look at ways to give hauliers some headroom to allow them to breathe. I accept that there are world factors at play here and I also accept that we must implement climate change measures. However, an immediate response is required at the moment and I believe the rebate scheme is the best option in that space. I welcome the fact that discussions are happening in that regard but there is a degree of urgency around this.

Deputy Hildegarde Naughton: I agree.

Chairman: We will now move to Deputy O'Rourke.

Deputy Darren O'Rourke: I thank the Minister of State for being here. My first question relates to the additional investment under the national road protection and renewal heading. Am I right in saying that the additional €30 million will bring us up to €324.1 million? How does that compare with previous years? How does it compare with last year, for example? Am I right with regard to that figure?

Deputy Hildegarde Naughton: I do not have those figures to hand. The extra €30 million is to be spent by the end of this year on protection and renewal across the country. We were looking at whether there are any areas where there was an underspend where we could spend money while also ensuring that we are not allocating money where the resources are not there. I would hope that the €30 million will be spent. I will forward the comparative figures for last year to the Deputy.

Deputy Darren O'Rourke: I would appreciate that because the issue of roads maintenance is hugely important for local authorities.

Deputy Hildegarde Naughton: We want to ensure, in the context of road safety, that spending is adequate. That is why the protection and renewal budget is so important. We must keep up the maintenance of our roads because if we do not do so, the problems down the line will be far greater.

Deputy Darren O'Rourke: I want to pick up on a point raised by Deputy O'Murchú regarding the new office for low-emission vehicles. I am interested in the State's prioritisation with regard to its own fleet and that of its agencies. Reference was made to the purchase of 16,000 new vehicles this year. It is my understanding that approximately 4,000 vehicles have been bought by the State. I am not sure if the Minister of State is aware of that figure. It is certainly in that region but only a tiny fraction are electric vehicles. Last year only 1.12% of the fleet was electric and this year it is 1.5%. The State is investing in fleet that will be in use for at least ten years. We have 2030 emissions reductions targets but we are tiptoeing in the direction of electric vehicles. What is the Minister of State's response in that regard? My position on it, from the perspective of the Opposition, is that we will support the Government but we are not responsible for coming up with alternatives. All we are trying to do is to encourage the Government to deliver on agreed objectives but it is not happening. What is the Minister of State's response on that? Does she see this new office as being a paradigm shift? How does the State intend to improve on those figures?

Deputy Hildegarde Naughton: The office is going to help to raise awareness among people who want to change their vehicle at a certain point, giving them information on the grants available to help with the transition to electric. An Post was the first mover in the public sector space in the transition to low-emission vehicles. It is also important to say that in the public transport realm we are investing in low-emission buses. Athlone will be the first town in the country that will have zero-emission buses. We have purchased over 280 buses this year, 185 of which are double-decker, hybrid electric vehicles for use in urban areas. There will also be a rolling out of fully electric, single-decker buses in Athlone.

This is not just about public transport; it is also the private sector. I take the Deputy's point about how important this is. If one looks at reducing emissions, the private car is one of the greatest ways to reduce our emissions here in the country and that office will be key to that.

Deputy Darren O'Rourke: I agree with the Minister of State. The Minister of State's initial point, which I accept, is that when people are thinking about making the change, to make information available to them. I presume that that case does not and should not have to be made to the public sector. The public sector should be ready to make that move now. I will leave that point with the Minister of State. Those are the figures that I have where the State has 4,000 extra vehicles, a tiny fraction of which are electric. The State needs to lead on this. I know that there are 2030 targets and commitments as to when the State will not invest in fossil fuel vehicles but I believe we need to make greater progress on that.

Moving on to aviation, there have been a number of comments of support for the sector. There is a commitment in the New Decade, New Approach agreement for Dublin-Derry and Cork-Belfast routes. I believe a review is under way on those. I know from speaking to people in those regions that there might reasonably be a question of why one would want to introduce or reintroduce those routes. In the first instance it is about regional connectivity but there has been a bigger point that has been raised consistently by me which is that it is not just about Cork-Belfast or Dublin-Derry. It is Dublin-Derry where that creates Derry-Glasgow and Glasgow-Donnegal. It is Cork-Belfast but that creates Belfast-Cork and Cork-Britain. It is about the interconnectivity and being highly networked. Can I have an update please on that review, when it will conclude how quickly we might see proposals on those routes?

Deputy Hildegarde Naughton: The review is currently under way. I do not have the timeline for that but I can come back to the Deputy on it. This comes back to previous conversations around the fact that we are an island nation and we need to ensure that we have that connectivity. We have the difficulty at the moment with Covid-19 and we are currently trying to support the airports that we have as best we can. We are in this flux situation with regard to the next year or two as to where we are going to be on that. Once that review is completed, we will be in a better position to see the supports that are needed, where we lie as an island nation with that connectivity and what routes we need to ensure are supported through that. We do not have alternatives other than by sea or air. The update I have is that the review will be completed shortly and will then be submitted to the Minister. If we receive any other update as to a more targeted date I will return to the Deputy with that.

Deputy Darren O'Rourke: I ask the Minister of State to hear the point that is being relayed to me not just about the linear route but that this has a network implication, which is an important point.

I will put a final question please, Chairman, on the Marine Casualty Investigation Board. We had Second Stage yesterday of the Merchant Shipping (Investigation of Marine Casualties) (Amendment) Bill 2021 when we would have heard from a range of Deputies from right across the political spectrum as to the funding allocation for that board. Did the Minister of State hear what was said yesterday and is there a sense within the Department that there will be a shift in that direction to adequately resource the board to bring it in line in comparison - as the figure was repeated time and again - with rail and aviation investigations? Will there be additional allocations there?

Deputy Hildegarde Naughton: Second Stage was taken in the Dáil yesterday and the Minister, Deputy Ryan, unfortunately, could not take it and asked me to step in; the whole debate wrapped up yesterday rather than continuing on today. Unfortunately, the Minister, Deputy Ryan, was not present and I know that Deputy Carey has asked for a meeting with the Minister, Deputy Ryan, with Government Deputies on some of the issues that were raised yesterday during Second Stage. I will be asking the Minister, Deputy Ryan, to facilitate that meeting on not just issues of funding but other issues that were raised, before Committee Stage, and that would be helpful.

Deputy Darren O'Rourke: On the back of that, I am sure that Deputy Carey would not mind Opposition spokespersons or committee members being included in that meeting. There is a fair degree of unanimity as to what was being said from both the Opposition and backbench Deputies also.

Deputy Hildegarde Naughton: Unfortunately, if the Minister, Deputy Ryan, had been

there for the wrap up, it may have been more helpful to Deputies so hopefully we can organise something like that. I thank the Deputy.

Deputy Darren O'Rourke: I thank the Minister of State.

Chairman: I call Deputy Matthews now.

Deputy Steven Matthews: I ask the Minister of State to comment on a few figures that are in here. On the €25 million underspend on cycling and walking programmes, what is the cause of that underspend because there is definitely demand around the country and the ambition also that the Government partners share in cycling and in active transport? Is it purely down to Covid-19 delays or is it down to having sufficient resources at local authority level for the entire process, from the feasibility, design, tender, construction and planning stages? Would we not expect to see those underspends as the local authorities get better resourced? There were more than 240 positions allocated to the local authorities for the active transport schemes. Do we know if all of those allocations are now with the local authorities?

Deputy Hildegard Naughton: That is a very good question on the underspend for cycling and walking infrastructure. We made a commitment in the programme for Government to allocate €360 million every year for walking and cycling infrastructure. The Deputy is correct in his question as to whether the delay is due to Covid-19, which it partly is, or resources, which it also is. It is important to say that this is the first full year of the roll-out of walking and cycling infrastructure. I expect that this will not be an issue in 2022 because of what the Deputy has mentioned on the allocation of resources to local authorities. They will be better equipped in 2022 to be able to roll out this infrastructure. I am very eager, having allocated much funding across the country to many local authorities where some are faster than others in rolling this out, to keep the impetus there and to ramp up that capacity. I will be watching this very closely, as we all will, in 2022 in our towns and villages, as walking or cycling infrastructure is not just an urban issue. We need to be very clear on that. This is for county councils across the country, and not just city councils, to ensure that they are identifying towns and villages - be it through the Safe Routes to School programme or otherwise - to ensure that they have footpaths, cycleways and safe routes. It will be ramped up and I hope that we will not have that significant underspend in 2022.

Deputy Steven Matthews: I thank the Minister of State. With the popularity and widespread use of electric cycles and scooters, the Minister of State is correct in that the catchment for active transport has now become much larger because of those electric vehicles and we need to take that into account.

My second question is on the warmer homes schemes. It states that the average time from application to completion was almost 26 months, which seems like a long time. Is there any way of speeding up processes within that because we have that large target again within the programme for Government to retrofit 500,000 homes across the country and the warmer homes scheme will obviously be part of that number? I have also seen figures that up to 1 million homes in Ireland could do with retrofitting but we will obviously target the first 500,000 that need it most and are at risk of fuel poverty. Can we speed up that average wait time of 26 months in any way? Where are the delays in that process?

Deputy Hildegard Naughton: We need to ensure increased access to these schemes and reduced waiting times. That is very important. A new residential retrofit loan guarantee scheme will be established to facilitate the provision of low-cost loans for residential retrofit projects.

In response to energy price increases, there is an energy efficiency national fund of €160 million. That fund will be paid into and used to improve access to these residential retrofit projects for low-income households and households living at risk of poverty. The funding will be put in place to try to reduce the waiting time, on which I agree with the Deputy. We all receive calls in our offices from people who are trying to get their homes insulated and are waiting on somebody to come out to assess them. This funding will be part of that. We are under pressure to reduce our emissions at every level and if it is a resourcing issue, this will be part of whatever needs to be done. The funding will go towards ramping up access.

Deputy Steven Matthews: The Minister of State answered my next question, which was on the energy efficiency national fund and what measures will be put in place to support households with rising energy prices. We need to keep in mind that rising energy prices are a result of oil price rises across the planet and geopolitical reasons. Carbon tax is not causing the increases about which I hear many people talking. A small increase is from carbon tax, but the main increase we see in diesel and petrol is due to oil prices.

I will be parochial and ask about County Wicklow. The Greystones coastguard building project has been going on for some time. The €6 million allocated to that project and the Westport project is to be reallocated elsewhere. Does the Minister of State know what is delaying the project, for which funding was in place? She can respond to me later if she does not have the answer to hand. However, I am keen to get some sort of guarantee that this money, which has been reallocated this year, will still be available for the Greystones coastguard building next year when the delays, whatever they are, have been overcome. It has been going on for some time and needs to be done.

Deputy Hildegarde Naughton: The delays with the coastguard station are due to planning and design. I can revert to the Deputy with more information. To cut to the chase, that is the reason for the delay.

With regard to the residential retrofit loan guarantee scheme, the Department is in the process of setting up a new financial instrument. This will be a loan guarantee. It will be delivered in conjunction with the Strategic Banking Corporation of Ireland, SBCI. It is intended that will consist of two components. One is a low-cost residential retrofit loan-based scheme and the other is a participating retail credit institution. It is like a one-stop shop to help people who can afford to do something in their home but need assistance, for example, through a low-cost loan. The Minister, Deputy Ryan, is working to ramp up the capacity in all of these areas.

Chairman: A sum of €28 million has been transferred from the savings made in the National Broadband Ireland plan. Some €160 million was paid into the energy efficient national fund in 2021. There are three components. There is improved access to residential retrofit projects for low-income households and households living in poverty; establishing a new residential retrofit loan guarantee scheme for the provision of low-cost loans for residential retrofit projects; and increasing the number of houses retrofitted through other residential community energy efficiency scheme, especially the soon to be launched national retrofit scheme.

Members, including, probably, the Minister of State, are regularly contacted by people asking what scheme they qualify for, what it covers, where they should apply, when they will secure approval, how much they will get and how quickly they will be able to do the works under the scheme. Funding of €160 million is great, but when does this come into play for the ordinary person sitting at home? There is huge buy-in among the general public to make their homes more energy efficient and, by definition, more carbon efficient. When will these mea-

sures come into being?

Deputy Hildegarde Naughton: The funding will be transferred by the end of this year. The extra capacity will be delivered in 2022 and the information point will be available through the one-stop shop. The one-stop shop will provide the public with all the information on what is available and what grants they can avail of.

Chairman: When will that come into play?

Deputy Hildegarde Naughton: The launch of the national retrofit scheme will be early next year.

Chairman: That retrofit scheme will have a one-stop shop. Is that correct?

Deputy Hildegarde Naughton: It will be the launch of that.

Chairman: When the Minister of State says early next year, are we talking January, February or March?

Deputy Hildegarde Naughton: I would hope it will be in those months, early next year.

Chairman: What is new is the new residential retrofit loan guarantee scheme. How will that work who will qualify for the scheme?

Deputy Hildegarde Naughton: I do not have the details on who will qualify, but the scheme will have two components. The first will be a low-cost residential retrofit loan scheme, based on a loan scheme to be provided to participating retail institutions. It is intended that the loan guarantee will provide risk protection for the participating credit institutions and will offer loans from their own capital with reduced interest rates to private homeowners-----

Chairman: It is a guarantee scheme from the State to the banks.

Deputy Hildegarde Naughton: Yes, and non-corporate landlords which wish to borrow to finance energy efficiency upgrades of their homes. It will target the residential sector. I will give the Chairman more information on this. I will get the Minister to send it to him.

Chairman: Have discussions already taken place with the banks and financial institutions on this scheme?

Deputy Hildegarde Naughton: The Department is in the process of setting up this new financial instrument.

Chairman: Will this be done through the Department the Environment, Climate and Communications?

Deputy Hildegarde Naughton: Yes.

Chairman: People will be able to apply to a financial institution. Has the Department decided what percentage or risk factor it will take in respect of the guarantee? What comfort will be given to the banks in giving these loans?

Deputy Hildegarde Naughton: The information I have to hand is that this financial instrument will involve an investment of approximately €40 million from the EU recovery and resilience facility and approximately €20 million of the Exchequer's own resources to provide

an upfront payment for losses expected during the lifetime of the guarantee scheme.

Chairman: That is €60 million in total.

Deputy Hildegard Naughton: The payment of this first loss piece, as it is called, will enable the participation of the SBCI and the EIB Group in the financial instrument and will leverage a lending portfolio of approximately €400 million. That is the latest estimate. Subject to finalisation of the financial instrument development-----

Chairman: Is it fair to say the funding is coming from SBCI and State resources but being allocated through the banks? Is that correct, or are the banks lending the money? The resilience and recovery fund is coming from Europe. Is that correct?

Deputy Hildegard Naughton: Yes.

Chairman: The €20 million is core Exchequer funding.

Deputy Hildegard Naughton: Yes.

Chairman: That is €60 million. The Department is then leveraging approximately €400 million, which is a considerable sum of money. When people are applying for that funding are they borrowing from the State or a financial institution? SBCI is involved. What structure is it taking?

Deputy Hildegard Naughton: I will try to get the Chairman that information.

Chairman: Do any of the officials have the answer?

Deputy Hildegard Naughton: They might. I apologise as this is the Minister, Deputy Ryan's side of the House. The commercial banks lend money to the consumer and then the banks rates are cheaper due to the SBCI guarantee. I will come revert to the Chairman with more detailed information.

Chairman: It will make €400 million available for which people who would not heretofore qualify under the retrofit scheme may apply to retrofit their houses. Is this a reasonable view on it?

Deputy Hildegard Naughton: I will have to come back to the Chair. I do not want to give him false information on it. When the Minister, Deputy Ryan, returns I will get him to give the Chair a detailed-----

Chairman: The issue that has arisen with retrofit is that certain people do not qualify.

Deputy Hildegard Naughton: Some people do not come under the remit of the warmer homes scheme. Their income is higher than the threshold. It is to help people who cannot-----

Chairman: When will the precise details of the scheme be made available?

Deputy Hildegard Naughton: It will be launched early next year. The national retrofit scheme will be launched in early 2022. I will come back to the Chair with details. It is on the Minister's side of the house and I do not want to be giving any information-----

Chairman: We put it to the Minister, Deputy Ryan, and the Minister of State, Deputy Osian Smyth, that for next year in the Estimates there should be a section on the costs involved

in cybersecurity and a subheading for spending on cybersecurity, not only with regard to the funding provided but also cybersecurity for the Department itself.

Deputy Hildegarde Naughton: I will relay that back. I will come back to the Chair with more details on the loan scheme.

Chairman: Overall it is €160 million. It is something that caught my eye.

Deputy Hildegarde Naughton: It is important. If we want people to retrofit their homes we need to put in place low-interest loans and incentivise to do this people who can pay for some of it but not all of it.

Chairman: I will bring in members for a second round of questions. I hope we will conclude in approximately 20 minutes.

Deputy Darren O'Rourke: I will follow up on the point made by the Chair. One of the big issues I see outside of the delays is that years ago a range of people, and pensioners come to mind, had a shallow retrofit conducted and works undertaken under the warmer homes scheme. In truth, this barely made a blip of a difference to heating those homes. It certainly would not have registered on the BER rating. As I understand it, there is still a rule that the SEAI will not go back into these homes and there is no second visit. This is something that was committed to and then it came off the table for some reason. How will the Government approach prioritising these people? I know there are general approaches. Generally the schemes are designed to support to a greater degree those who are more disadvantaged. It is not happening. There are delays of two years and, on top of this, the people I am speaking about are not even on the schemes now because they were visited a decade ago. How will the Government square this? I can think of any number of people in my constituency.

Chairman: It is a big issue. Ordinary people do not qualify because they had work done. If people are willing to go with the changes we must support them. Is this issue factored into the deliberations?

Deputy Hildegarde Naughton: I would hope so. I will have to go back to the Minister, Deputy Ryan. There are similar issues in my constituency. People who got the walls pumped, minor attic insulation or minor works are now told they are not eligible for retrofitting or for the grant schemes. The issues that are being raised here today can be incorporated into future low-interest loans. Many of these people can afford some of the payment but they need extra help through the low-interest loan. I will relay this back to the Minister, Deputy Ryan.

Deputy Darren O'Rourke: I want to raise a couple of other points. Does the Minister of State have information on the Border road? Having spoken to colleagues on the north side of the Border there is frustration about the A5 and planning. The funding has been reassigned. Will it be there in 2023, when I hope the work will commence?

Deputy Hildegarde Naughton: This funding has been on our budget and allocated every year. This is testament to our commitment to supporting the A5 project. As the Deputy knows, the Northern Ireland Department for Infrastructure published the interim report of the Planning Appeals Commission inquiry into the A5. The Minister, Ms Mallon, has accepted the commissioner's key recommendation on the need for further work, public consultation on flood risk and the consideration of alternative routes for the proposed scheme. The intention remains that the public inquiry will be reconvened during 2022, as recommended by the Planning Appeals Commission. The commission will prepare its final report after the public inquiry. This should

then allow for a new ministerial decision to be made. The final report is expected in early 2023, which is why we can make this decision today. Our contribution towards phase 1 will not be required in 2021 or 2022. The commitment will be there in 2023. We know we can make this allocation today because it will not be spent.

Deputy Darren O'Rourke: I want to raise another point. Deputy Matthews mentioned the Coast Guard in Greystones and Westport. We have heard from the Coast Guard and we will hear from representative groups of volunteers and former volunteers. We have had a report from the Comptroller and Auditor General. I am flagging this as a concern. There is under-spend. There are questions about procurement and investment in capital infrastructure. The earlier part of the previous decade was the last time significant investment was made. I am raising this as a concern with regard to how the Coast Guard is progressing these projects as part of a wider concern within the Coast Guard. I will leave it with the Minister of State. The committee is engaged in work with the Coast Guard, the Department and the Ministers.

Deputy Carey raise the issue of the RSA and driving testers. I want to come back to this with regard to access to basic facilities at testing centres. This is something the Minister of State and I have exchanged views on. The first time I raised it was in a debate on Supplementary Estimates. That must have been at least 12 months ago if not more. We are back into winter. I have the details of an exchange between Unite the Union and the RSA and Unite the Union and the Health and Safety Authority. It seems very clear from looking at these exchanges and correspondence that there is no reason for the current state of affairs to be the way it is. I cannot explain why it is this way. It seems there is an element of spitefulness. I cannot see anything else in it. I will make the same case as I made 12 months ago. These are essential workers. They perform a very important role in infrastructure for which the Minister of State is responsible. They might not be directly employed by the Department or the RSA but they are essential as they provide training to drivers, who we want to be fit to drive on our roads and keep themselves and us safe. They are being treated disgracefully with regard to the most basic requirement for toilet facilities and sanitation. It needs to be resolved. It needs intervention from the Minister of State or her colleagues. I do not know whether the Minister of State has a response on this but I want to leave it with her.

Deputy Hildegarde Naughton: When the Deputy raised it last we were at the height of the Covid pandemic. Many of these centres are trying to manage the office throughput and trying to carry out tests. They have had to make sure these centres were not closed down because of the huge impact this would have on essential workers trying to get driving tests. Like every workplace there were health and safety protocols in place.

I take the point that they wanted access, but we have to rely on the on-the-ground experience of these different centres. Some of them are in shared spaces, that is, there are other businesses within the premises. They have to manage the throughput through office and make sure that people are safe and that social distancing is facilitated. The concern was to try to manage the pandemic. We are in new space now and, it is to be hoped, a better position than we were at this time last year. More than 93% of the adult population is now vaccinated. The issue is trying to manage the spread of the virus in these centres and to minimise the numbers who need to go into them. Over the past 12 months, we have been asked what we are doing to increase the number of people being tested so that they can get their driving licences. It is a difficult situation. We are going through a pandemic. We thought we were coming out of it a number of months ago but we are now in a new space. It is about keeping people safe and adhering to the protocols. Again, ensuring that the centres are safe is an operational matter for the RSA, as is

ensuring that it is keeping its own staff and those who come through its offices safe.

Deputy Darren O'Rourke: I do not dispute a word of what the Minister of State said. What I am pointing to, however, is the engagement of the RSA and the Health and Safety Authority's assessment of the issue. I am not disputing anything the Minister of State is saying but I am asking where is the progress being made on behalf of the RSA? Is there an inch being given? The Minister of State talked about variability between different centres. If that is the case, surely something can be done in some of them in terms of progressing this. Outside of that, is there goodwill or a measure of respect? We should spend a few pounds on temporary facilities, if needed. I will leave that with the Minister of State. I do not see the level of decency and engagement needed to find a solution coming from the RSA, notwithstanding everything the Minister of State has said with regard the existing challenges. I need to see more from the RSA on this.

Deputy Joe Carey: I will return to the road haulage situation. I welcome the fact that the Minister of State and the Minister are going to meet with representatives of the IRHA. Is the Minister of State familiar with the diesel rebate scheme?

Deputy Hildegard Naughton: Yes.

Deputy Joe Carey: She will be aware then that the maximum level applies at €1.43 per litre. This is stitched in. The maximum amount that may be claimed back is €7.50. If the price of diesel is below €1.23, there is no rebate. Those figures are totally out of line. During the Second Stage debate on the Finance Bill in the Dáil, I asked the Minister for Finance, Deputy Donohoe, to consider amending the scheme through that Bill. Is this a matter that concerns the Minister of State? Has she made any representations to the Minister for Finance in that regard on behalf of an industry for which she is the responsible Minister of State? Has she spoken to the Minister about that matter?

Deputy Hildegard Naughton: Yes, I have. We are working across Government on this. There are certain levers we can pull in the Department of Transport but we need to work with the Department of Finance to see what could be workable while not having any unintended consequences. We have the diesel rebate scheme. Businesses may claim VAT back in respect of petrol or motoring costs. We also have the alternative fuel grant scheme and reduced tolls for alternatively fuelled vehicles. There are a number of schemes. As I am saying all of this, I am very conscious that hauliers do not have an alternative. This is the premise we are all trying to work on. Hauliers are under great pressure in light of the increased price of diesel. We have to support them in some way. This is a global problem. Deputy Matthews mentioned the carbon tax. He is correct. The carbon tax has increased the price of petrol and diesel by 2 cent and 2.5 cent, respectively. There are more global forces involved in this, such as exchange rates and the cost of raw materials globally. To come back to the Deputy's point, we are looking at solutions that are workable for hauliers. I completely understand the pressure they are under. I am working with the IRHA and the FTAI in respect of the shortage of HGV drivers. I am working with other countries at an official level, through the RSA, to reach licence exchange agreements. A ten-year road haulage strategy is also being developed.

The sector is under a lot of pressure. We know about Brexit, supply chains and the new direct routes to the Continent, for which we are thankful. The sector has adapted and moved. Even today, as part of the Supplementary Estimates, we have to consider the antigen testing regime that must be put in place for hauliers going to France. The sector adapted and was flexible and safe in managing the risk from Covid pandemic. It has had a really difficult 20 months. I

appreciate the pressures it is under. I am working with colleagues in that regard.

Chairman: Who funds the rebate scheme?

Deputy Hildegarde Naughton: The Department of Finance has responsibility for that. All of us, including the Minister, Deputy Ryan, are working in relation to-----

Chairman: Who funds the scheme? Does the Department of Finance or the Department of Transport cover the cost of the rebate scheme?

Deputy Hildegarde Naughton: The Department of Finance covers it.

Chairman: It is treated as a taxation scheme. It is exclusively under the remit of the Department of Finance.

Deputy Hildegarde Naughton: I will come back to the Chairman on whether it exclusively under the Department of Finance's remit.

Chairman: Does the scheme itself fall under the Department of Finance?

Deputy Hildegarde Naughton: Yes.

Chairman: The legislation behind the scheme and the scheme's establishment are the responsibility of that Department.

Deputy Hildegarde Naughton: Yes.

Chairman: Anything done in this regard will require the sign-off of the Minister for Finance.

Deputy Hildegarde Naughton: That is why the Minister, Deputy Ryan, is engaging with the Minister for Finance in this regard.

Chairman: As a committee, we have just asked that there be a sense of urgency about this.

Deputy Joe Carey: This is urgent.

Deputy Hildegarde Naughton: I am aware of that.

Chairman: It is pretty straightforward. Obviously, we will need more energy-efficient and carbon-efficient vehicles but the bottom line at the moment is that we want to ensure that those businesses will be around to do it. The highest cost for those in the haulage business is the cost of fuel. It is very simple. Obviously, there are also labour costs but, for those who drive the trucks, the highest cost is that relating to fuel. At present, their fuel costs are nearly 30% higher than they were a year ago. The rebate scheme is just not doing what it needs to do. We asked that there be a sense of urgency about this. The committee will follow up on that. We ask for a sense of urgency in keeping with what Deputy Carey, others and I have said. The Minister of State has a meeting with IRHA next week. That should bring this issue further into focus. Does she hope to have news for the committee at that point?

Deputy Hildegarde Naughton: We need to engage with the sector. We have been doing that. This is not just a one-off meeting.

Chairman: I appreciate that but the Minister of State has a formal meeting next week. Does she expect, dare I say it, white smoke?

Deputy Hildegarde Naughton: I do not want to pre-empt that meeting with the IRHA. Obviously, we need to meet with and listen to the association. Work is ongoing in this regard. We want a workable solution. I commend the IRHA and the FTAI. They have been under enormous pressure but have engaged with me and with the Department to a great degree. We want to get a solution. It will probably not solve everything, but it may ease some of the pressure on this sector, which is absolutely critical with regard to our supply chain.

Chairman: Is it fair to say that there are meetings between the Minister of State and the Minister, Deputy Ryan, in the Department of Transport and the Minister for Finance to find a solution to these problems?

Deputy Hildegarde Naughton: There is ongoing engagement. This engagement will continue in the coming days.

Chairman: That is great. I welcome that. I thank the Minister of State and her officials for attending and for engaging with the committee. As we have now completed our consideration of the Supplementary Estimates for Vote 31 and programme A of Vote 29, the clerk will send a message to that effect to the Clerk of the Dáil.

Message to Dáil

Chairman: In accordance with Standing Order 101, the following message will be sent to the Dáil:

The Select Committee on Transport and Communication has completed its consideration of the following Supplementary Estimates for public services for the year ending 31 December 2021: Vote 29 - Environment, Climate and Communications and Vote 31 - Transport.

The select committee adjourned at 12.09 p.m. *sine die*.