

Pat Smyth

From: Brian Carroll .T- Corporate Finance
Sent: 13 March 2009 16:28
To: Pat Smyth
Attachments: Energy Outputs.doc

Energy Programme	2007 Outturn / Output Achieved	2008 Outturn / Output Achieved	2009 Estimate / Output Target
Subhead D1 – Sustainable Energy Ireland – Administration and General Expenses	Total - €7,000m	Total - €7,530m	Total - €8,518m
- Current	€7,000m	€7,530m	€8,518m
Outputs	Operation of SEI	Operation of SEI	Operation of SEI
Subhead D2 – Sustainable Energy Programmes	Total - €47,200m	Total - €43,980m	Total - €100,172m
- Capital	€47,200m	€43,980m	€100,172m
Outputs	Increased penetration of renewable energy in heating sector: 9,543 installations under the Greener Homes Scheme 93 installations under the Reheat Programme	Increased penetration of renewable energy in heating sector: 7,000 installations under the Greener Homes Scheme 120 projects approved under the Reheat Programme	Increased penetration of renewable energy in heating sector: 7,000 installations under the Greener Homes Scheme 120 projects approved under the Reheat Programme
	Energy Efficiency measures applied in an additional 5,285 fuel poor homes	Energy Efficiency measures applied in an additional 8,000 fuel poor homes 13,000 homes grant assisted under the Home Energy Savings Scheme	Energy Efficiency measures applied in an additional 8,000 fuel poor homes 13,000 homes grant assisted under the Home Energy Savings Scheme Need targets for Public Sector and

			Industry
Subhead D3 – Energy Research Programmes	Total - €0.479m	Total - €13.562m	Total - €18.048m
- Current	€0.331m	€0.217m	€0.698m
- Capital	€0.148m	€13.345m	€17.350m
Outputs		Ocean Energy Development Unit established; and prototype fund opened	Need Ocean Energy target
Subhead D4 – Strategic Energy Infrastructure	-		Total - €0.001m
- Capital	-		0.001
Outputs		N/A	N/A
Subhead D5 – Energy Efficiency Awareness Initiatives	€4.957m	€2.500m	€0.998m
- Current	€4.957m	€2.500m	€0.998m
Outputs		Power of One energy efficiency awareness programme	?

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From: Brian Carroll .T- Corporate Finance
Sent: 13 March 2009 17:43
To: Pat Smyth
Attachments: Inland Fisheries.doc

3. Individual Programme details for each programme

Programme E (as at 1 above): [Inland Fisheries]

High Level Goal

- To conserve the inland fisheries resource through effective corporate governance of the agencies operating under the aegis of the Department, and to facilitate exploitation of the resource on an equitable and sustainable basis

Impact Indicators

- Achievement and maintenance of river stock conservation limits for salmon in line with the Government strategy
- Ensuring no illegal harvest of any inland fisheries stocks
- Compliance with EU habitats' directive, water framework directive and biodiversity directive obligations
- Equitable exploitation and development of the inland fisheries resource
- More streamlined, effective and accountable structures, management and legislation in place
- Agencies are equipped with necessary legislation and resources to effectively manage the inland fisheries sector in line with the new management regime

Programme Rationale and Prioritisation

- **Inland Fisheries (F1):** Funds are provided to the Central and seven Regional Fisheries Boards to cover operational costs and for any payments to the fisheries cooperatives made through the Boards. The allocation also covers the State's contribution to the operational and administrative costs of the Loughs Agency, a North/South body co-funded with DARDNI on a 50/50 basis, to manage the fisheries, aquaculture and marine tourism in the Foyle and Carlingford areas
- **Salmon Conservation (F2):** Government Decision (S180/20/10/0684B, 01/11/2006) created a Hardship Fund for those affected by the compulsory cessation of indiscriminate mixed stock fishing at sea. This is split into two schemes, the Salmon Hardship Scheme allows for hardship payments to commercial fishermen who decommission their nets and the Community Support Scheme which is directed at the development of additional economic opportunities in the communities affected by the cessation of commercial salmon fishing

Inputs

Inland Fisheries Programme	2007 € million	2008 Outturn	2009 Estimate
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		€ million	€ million
Programme Expenditure:			
- Current	39,276	44,694	36,494
- Capital	3,939	2,126	3,377
Administration and Other Support			
- Pay	0,762	0,828	0,838
- Non-Pay	0,087	0,055	0,041
TOTAL GROSS PROGRAMME EXPENDITURE	44,063	47,703	40,750
Public service numbers for Programme (Whole Time Equivalents):	2007 WTE	2008 WTE	2009 WTE
- Civil Servants	17	13	
- Other Public Servants			

Broken down by Subhead as follows:

Inland Fisheries Programme	2007 € million	2008 Outturn € million	2009 Estimate € million
Subhead F1			
- Current	0.300	0.631	0.517
- Capital			
Subhead F2			
- Current	0.628	0.303	2.558

Headline Outputs [there should be no more than 3 headline outputs]

2007 Output Achieved	2008 Output Achieved	2009 Output Target
<p>Salmon Management New Management regime introduced.</p> <p>Appropriate amendments to the secondary legislation introduction (13 SI's and 21 Byelaws).</p> <p>18 fish counters and 5 fish fences installed/upgraded</p> <p>Framework for salmon management regime in place for 2008 season.</p> <p>Salmon Hardship and Community Support Scheme Salmon Hardship Scheme administered by BIM and the Loughs Agency. A total of 1,332 Letters of Offer were issued by BIM in 2007, 1,120 claims were received in total. Payments were made in respect of 976 applications. €11.8 million was</p>	<p>Salmon Management 28 Bye-laws were introduced in 2008 of which 18 were river or rivers specific. In addition 2 S.I.s were introduced in relation to Salmon fishing.</p> <p>Scientific advice was received regarding surplus available on individual rivers and fisheries boards allocated between commercial and recreational harvest</p> <p>Framework in place for Salmon Management Regime in time for 2009 season.</p> <p>Salmon Hardship and Community Support Scheme €11,284,985 paid from the Salmon Hardship Scheme to BIM and € 297,453 to the Loughs Agency. The appeals process was finalised in December 2008.</p>	<p>Salmon Hardship and Community Support Schemes:</p> <ul style="list-style-type: none"> Issue payments to BIM as per agreed schedule and final payments to the Loughs Agency and LEADER Companies. <p>Conservation</p> <ul style="list-style-type: none"> Ensure that the legislative framework for management of fish stocks is in place in time for the 2010 season. <p>Organisation of Inland Fisheries</p> <ul style="list-style-type: none"> Deliver the new structure for the management of the inland fisheries service, replacing the Central and Regional Fisheries Boards.

paid to BIM and the Loughs Agency in respect of these claims.

Terms and conditions of the Community Support Scheme agreed with the Department of Community, Rural & Gaeltacht Affairs.

Fisheries management

Obligations met in compliance with Habitats Directive

Habitats directive:

- 32 river habitat rehabilitation projects
- 3 fish passage improvement projects undertaken.

Rehabilitation works on 88 Km. of rivers and streams.

Protection and Conservation:

- River, sea and lake patrols of 177,500 man hours.
- Inspections of 5,500 sites of actual or potential Fisheries Habitat degradation.
- Undertook 378 fish stock assessments

Organisation of Inland Fisheries

Progress was made towards legislation consolidation however, implementation steps delayed while alternative restructuring options were being considered.

The Community Support Scheme was launched and €1,127,600 distributed amongst 17 LEADER companies. The deadline for applications to the LEADER companies for funding was extended to 31st March 2009 to facilitate greater take-up of the scheme.

Fisheries management

€2,800,000 was allocated to the Central and Regional Fisheries Boards to meet their monitoring obligations under the Water Framework Directive. The Boards conducted surveys of 32 lakes, 83 rivers and 42 transitional waters

The National Implementation Plan and report were approved by NASCO at annual meeting in June 2008. The report was commended by the evaluation committee.

Plan finalised by December 2008 and submitted to the EU.

Targets achieved through the year the Central and Regional Fisheries Boards completed:

- 174,689 total patrol man hours
- 1170 spot-checks on tagging regulations at fish dealers, restaurants, hotels/guesthouses and fishing competitions
- 5965 Habitat inspections
- 481 Fish Stock assessments
- 1425 Infrastructural project Site Inspections

Targets as set out in the corporate strategy of the Loughs Agency, to enable the Agency to deliver its statutory responsibilities delivered, including the purchase and fit out of a monitoring/research vessel in New Zealand which will be operational Q1 2009

Organisation of Inland Fisheries

<p>Corporate governance Enactment of the Foyle and Carlingford Fisheries Act in 2007, adding responsibility for the development and licensing of aquaculture in the Foyle and Carlingford areas has been added to the Loughs Agency's functions.</p> <p>Commencement by the Western Regional Fisheries Board of the construction and fit out of a new Headquarters</p> <p>The Fisheries Boards and Loughs Agency complied with corporate governance requirements in accordance with code of practice for the governance of State bodies. The majority of targets have been met by Fisheries Boards and Loughs Agency and critical success factors identified where not.</p>	<p>Proposals were presented to the Minister within Q2 2008 however the Budget announcement on the restructuring of the Fisheries Boards changed the approach being taken.</p> <p>The Memo to Government on the new approach was drafted and circulated for comments in Q4 2008.</p> <p>This restructuring legislation has taken priority over the modernisation and consolidation legislation which will be reviewed in the latter half of 2009</p> <p>Corporate governance 5 pieces of secondary legislation introduced in 2008 including one angling regulation, and, for the first time, four shellfish regulations.</p> <p>The Headquarters of the Western Regional Fisheries Board was completed within budget</p> <p>All Fisheries Boards signalled compliance with code of practice for governance of state bodies in the 2007 Annual Report, which was presented to Government on 11 July 2008.</p>	
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Delivery Mechanism: A brief outline of how the Programme is delivered. Ensure the outline includes any Agencies involved in the process

- Inland Fisheries (F1):** The Department has overall policy responsibility for the conservation, management, protection, regulation and development of the inland fisheries resource. Primary responsibility for the implementation of these functions rests with the Central and seven Regional Fisheries Boards. The Central Fisheries Board has a coordinating role and takes the lead on many national elements such as the Habitats and Water Framework Directives. The Loughs Agency is a North/South body, co-funded with DARDNI on a 50/50 basis, to manage the fisheries, aquaculture and marine tourism in the Foyle and Carlingford Areas.

- **Salmon Conservation (F2):** Government Decision (S180/20/10/0684B, 01/11/2006) created a Hardship Fund for those affected by the compulsory cessation of indiscriminate mixed stock fishing at sea. €25m was allocated to a scheme for commercial fishermen administered by BIM. A separate but similar scheme operates for the Foyle fishermen and is administered by the Loughs Agency. €5 million is allocated to the Community Support Scheme which is directed at the development of additional economic opportunities for crews and employees in the processing and ancillary sectors in the communities affected by the cessation of commercial salmon fishing. This scheme is administered by seventeen LEADER companies

Assessment of how this expenditure programme is meeting the policy objectives it is intended to. This assessment should take into account the resources being deployed to achieve the outcomes.

The statutory remit extends to the conservation, protection, management and development of the inland fisheries resource.

Conservation

- The alignment of the management of salmon stocks with scientific advice resulted in the withdrawal of infringement proceedings by EU under the Habitats Directive
- The North Atlantic Salmon Conservation Organization has endorsed management of its salmon fisheries and holds the regime as a model to be emulated by other parties to the convention
- There is evidence of recovery of salmon stocks in a number of rivers over the period since 2006
- A series of performance indicators are in place by which to monitor the activities of the sector (detailed previously)
- Boards are required to undertake vital monitoring of fish stocks essential to the efforts of many agencies in meeting obligations under the EU Water Framework Directive and the Habitats Directive

Protection

- Labour for delivery of protection and enforcement service is a large component of cost
- Expenditure on protection at sea is reported on and co-ordinated by the Central Fisheries Board

Management

- Improvements in corporate governance ensure greater accountability and value for money on the part of the agencies
- Rationalisation of Boards is being undertaken to improve the efficiency and effectiveness of the management structures and is expected to deliver:
 - In short term estimated savings amounting to €300k will be achieved
 - In medium term it is proposed to rationalise senior management (savings of 3 PO posts)
 - In the medium to long term it is anticipated that further efficiencies will be achieved

Development

- Capital investment in the sector is designed to ensure sustainable exploitation of the inland fisheries resource. Improvements in fish stocks and habitats provide ultimately for sustainable commercial fishing and tourism and recreational angling opportunities making an important contribution to the local economy.

List the key drivers of the increase in expenditure / numbers since 2002, paying particular attention to 2007 to 2009 and, if appropriate, key demographic pressures arising in future years. How can these drivers be contained?

- Increasing responsibilities in the implementation of EU Directives:
 - Water Framework Directive
 - Habitats Directive
 - Eel Management Plan
 - New salmon regime
- The Loughs Agency are getting increased responsibility for areas such as aquaculture and marine tourism under the Foyle and Carlingford Fisheries Act 2007
- Investment in new salmon regime
- The Salmon Hardship Fund amounting to €30m over a 4 year period is divided between the Salmon Hardship Scheme and Community Support Scheme. All payments should finish by the end of 2010.

Outline the likely consequences if this Programme were discontinued entirely?

- The Government would be in contravention of EU Directives and the subject of non-compliance proceedings and fines in relation to the:
 - Habitats Directive
 - Water Framework Directive
 - Eel EU Council Regulation
- Less monitoring for pollution
- Increase in poaching and unsustainable fishing which would lead to the loss of the resource for future generations and undermine the investment the Government has made to date in the sector
- Loss of revenue generated from angling tourism as well the loss of Irish reputation to other tourism sectors
- The Loughs Agency is a co-funded authority with cross-jurisdictional responsibilities. Any unilateral change in funding would have an adverse affect on N/S relations and the effectiveness of the NSMC affecting many areas of cross-border cooperation
- The Salmon Hardship Scheme is a contractual commitment where recipients could elect to take their money over a three year period. Any discontinuance of the scheme would probably lead to litigation as the recipients have already complied with the terms of the contract

- The Department have also entered into contractual commitments to the LEADER companies over their individual allocations from the scheme

Opportunities and obstacles for rationalising the staffing resources for this Programme (incl. any work practice, mobility issues)

Work is currently underway on a Bill to effect the restructuring of the Central and Regional Boards into one National Authority. The Restructuring Implementation Group has identified a surplus layer of management after the new body is introduced and a proposal for a Voluntary Early Retirement Scheme has been put to the Department of Finance. Following restructuring the new management will have the opportunity to review the staffing structure and needs of the organisation. However, all staff have been advised by the Minister that their terms and conditions of employment will not be affected

List of Recommendations and Options for (1) scaling back or discontinuing this Programme and (2) securing savings / efficiencies on this Programme, including savings / surplus staff arising

Recommendation A: The Department has identified savings of €300,000 euro on travel and subsistence (2008 rates) from the abolition of the Regional Boards after restructuring is complete

Option B: The restructuring group has identified three management posts that will be surplus after the re-organisation and a request has been put to the Department of Finance for a Voluntary Early Retirement Scheme which is awaiting approval

Option C: The Department of Finance are in consultation with the Department of Finance and Personnel in Northern Ireland on efficiency savings to apply to all N/S bodies including the Loughs Agency

Pat Smyth

From: Brian Carroll .T- Corporate Finance
Sent: 13 March 2009 17:44
To: Pat Smyth
Attachments: Broadcasting Outputs.doc; Natural Resources Outputs.doc

Broadcasting Programme	2007 Outturn / Output Achieved	2008 Outturn / Output Achieved	2009 Estimate / Output Target
Subhead C1 – Grant to RTE for Broadcasting Licence Fees (Grant-in-Aid) - Current	Total - €194.838m €194.838m	Total - €201.066m €201.066m	Total - €209.727m €209.727m
Outputs		Delivery on RTE's Statements of Performance Commitments will be in its Annual Report	Delivery by RTE on its Statement of Performance Commitments
Subhead C2 – Payment to An Post for collection of Broadcasting Licence Fees - Current	Total - €12.221m €12.221m	Total - €12.630m €12.630m	Total - €14.012m €14.012m
Outputs		New methodology for contract between Department and An Post agreed	?
Subhead C3 – Broadcasting Commission of Ireland (Grant-in-Aid) - Current	Total - €3.810m €3.810m	Total - €5.000m €5.000m	Total - €4.738m €4.738m
Outputs		Funds allocated, through the Broadcasting Fund, to eligible projects	BCI/BAI to licence DTT

		Review of Children's Advertising Code developed and implemented	
Subhead C4 – Grant to TG4 (Grant-in-Aid)	Total - €31.897m	Total - €36.390m	Total - €38.620m
- Current	€30.980m	€35.473m	€37.720m
- Capital	€0.917m	€0.917m	€0.900m
Outputs		4.5 hours of Irish language programming per day	4.6 hours of Irish language programming per day
Subhead C5 – Broadcasting Fund	Total - €10.255m	Total - €10.478m	Total - €11.039m
- Current	€10.255m	€10.478m	€11.039m
Outputs		Fund allocated to eligible projects Need numbers and impact	Fund allocated to eligible projects Need numbers and impact
Subhead C6 – Grants for Digital Terrestrial Television	Total - €2.520m	Total - €1.514m	Total - €0.050m
- Current	-	-	€0.050m
- Capital	€2.520m	€1.514m	-
Outputs		DTT piloted completed	Awareness campaign for analogue switchover
		Digital TV website launched	

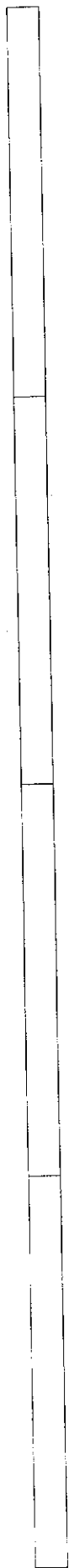
Natural Resources Programme	2007 Outturn / Output Achieved	2008 Outturn / Output Achieved	2009 Estimate / Output Target
Subhead E1 – Petroleum Services	Total - €0.300m	Total - €0.631m	Total - €0.517m
- Current	€0.300m	€0.631m	€0.517m
Outputs		New application from Shell E&P Ireland to construct a gas pipeline processed in accordance with Section 40 of the Gas Act 1976	Continue to administer the statutory processes for existing and new Corrib Gas Field
Subhead E2 – Mining Services	Total - €1.181m	Total - €3.920m	Total - €7.558m
- Current	€0.628m	€0.303m	€2.558m
- Capital	€0.553m	€2.987m	€5.000m
Outputs		Phase 1 works on Silvermines Rehabilitation work completed Elements of Phase 2 brought forward and completed	Ensure effective implementation of specific mine rehabilitation plans Need more detail New Minerals Development Act Regulatory framework for geothermal energy
Subhead E3 – GSI Services	Total - €0.684m	Total - €0.383m	Total - €0.585m
- Current	€0.684m	€0.383m	€0.585m
Outputs		?	?

Subhead E4 – Geoscience Initiatives	Total - €1.295m	Total - €2.683m	Total - €1.228m
- Capital	€1.295m	€2.683m	€1.228m
Outputs		28 maps and 7 reports made publicly available 33 digital databases created or upgraded €1.899m funding provided to 8 research projects under the Griffith Geoscience Research Awards	Publish 20 maps and 10 reports 10 digital databases created Complete 3 County Groundwater Protection Schemes Secure annual reports and presentations from 8 funded research projects
Subhead E5 – National Seabed Survey	Total - €5.258m	Total - €3.937m	Total - €3.392m
- Capital	€5.258m	€3.937m	€3.392m
Outputs		Mapping completed for Bantry, Dunmanus, Galway, Sligo, Donegal and Tralee Bays	Map two further priority bays
Subhead E6 – Ordnance Survey Ireland (Grant-in-Aid)	Total - €5.250m	Total - €5.970m	Total - €5.485m
- Current	€4.000m	€4.970m	€4.500m
- Capital	€1.250m	€1.000m	€0.985m
Outputs		7,500 large scale maps revised	?

Pat Smyth

From: Brian Carroll .T- Corporate Finance
Sent: 13 March 2009 18:03
To: Pat Smyth
Attachments: Inland Fisheries Outputs.doc

Inland Fisheries Programme	2007 Outturn / Output Achieved	2008 Outturn / Output Achieved	2009 Estimate / Output Target
Subhead F1 – Inland Fisheries	Total - €31.357m	Total - €34.110m	Total - €35.271m
- Current	€27.418m	€31.984m	€31.894m
- Capital	€3.939m	€2.126m	€3.3770m
Outputs		€2.8m allocated to Fisheries Boards to meet monitoring obligations under the Water Frameworks Directive	Deliver new structure for the management of the inland fisheries service and targets met
		National Management Plan for the Recovery of Eel Stocks finalised	Ensure legislative framework for the management of fish stocks is in place in time for 2010 season
		Fisheries Boards and Loughs Agency targets met	Loughs Agency targets met
Subhead F2 – Salmon Conservation	Total - €11.858m	Total - €12.710m	Total - €4.600m
- Current	€11.858m	€12.710m	€4.600m
Outputs		Salmon Hardship Scheme: €11.2m paid to BIM €0.297m paid to the Loughs Agency	Salmon Hardship Scheme: Issue payments per agreed schedule
		Community Support Scheme: €1.1m distributed among 17 LEADER companies	Community Support Scheme: Issue payments per agreed schedule



Pat Smyth

From: Pat Smyth
Sent: 13 March 2009 18:21
To: Brian Carroll .T- Corporate Finance
Importance: High
Attachments: Paper for SG Dunning.doc

Tracking:

Recipient	Read
Brian Carroll .T- Corporate Finance	Read: 13/03/2009 18:22

Brian,

Draft paper for the Secretary General as discussed.

Regards,

Pat S.

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**Background Note for the Special group on
Public Sector Numbers and Expenditure**

D/CENR Structure and Expenditure Trends

The Department

The Department of Communications Energy and Natural Resources is responsible for public policy in the energy, telecommunications, postal and broadcasting sectors as well as petroleum and minerals exploration and development. The development of energy and communications policies is critical to future economic and environmental sustainability. The Department oversees the operation of a number of our commercial and non-commercial State Bodies operating in the sectors for which it is responsible.

It has 296 staff of which 55 are located in Cavan. Of the total staff complement, 236 are administrative and 60 are technical staff (mainly employed in the natural resources area).

The Department's 2009 Gross Expenditure Budget is as follows:

	€m	€m
Current		
Administrative Budget		
Department Salaries	18.643	
Other AB Expenditures	11.689 (1)	30.332
Other Current		
Pay	35.742	
Non-pay	300.492 (2)	336.234
Other Capital		178.317
Gross Total		544.883

(1) €2.001m of capital included in AB figures.

(2) €234.778m is accounted for by TV Licence revenues, which is a direct pass-through the Department's Vote.

The Department's gross budget for 2009 amounts to just 0.8% of gross total Government expenditure for that year.

Agencies

The vast bulk of Departmental expenditure is effected by the Agencies who operate under its aegis. A total of 15 agencies operate in this way. This includes three regulators, two of which are funded directly by the sectors they regulate. The other bodies include seven regional fisheries boards and a central fisheries board. These eight bodies will be merged into a single body later this year. The four remaining bodies include two in the energy sector, Sustainable Energy Ireland (SEI) and the National Oil Reserves Agency (NORA), one in the Communications area, the Digital Hub Development Agency (DHDA) and one in the natural resources area – the Ordnance Survey Ireland (OSI) – which has a commercial mandate.

The total number of staff employed by these agencies is over 1,000 or over three times the staffing level of the Department. Agency staffing has increased by about 10% since 2005. This reflects the extension of Agency activity over time as new pressures and imperatives have arisen in the sectors involved. The regulatory agencies, ComReg, CER and BCI each now employ significantly more staff than the Communications and Energy areas of the Department, reflecting the new importance of the roles of these organisations and new functions (some of them statutory) grafted onto the organisations over time. Further important new functions are likely to be vested in the regulatory bodies this year; for example, both onshore and offshore upstream petroleum safety responsibilities in the case of CER. In the cases of ComReg and CER, the ability to resource ongoing operations is helped by the fact that they are wholly funded by industry although those agencies must secure sanction for additional staff resources.

Other Agencies carry out vitally important executive functions. These include Sustainable Energy Ireland (SEI), which, with a staffing complement of just 50, oversees implementation of a varied and growing number of schemes related to promotion of renewable energy and energy efficiency. They also include the Regional Fisheries Boards, which are responsible for administering the important inland fishery natural resource of rivers and lakes.

The Agencies are also an important source of policy advice and of information that influences policy formation. This work is becoming increasingly significant in light of the specialised technical demands of the work as well as the personnel and other resource constraints being experienced by the Department.

Commercial State Bodies

The Department is responsible, in conjunction with the Department of Finance, for overseeing general policy and the State shareholder interest in a number of Commercial State Bodies -

ESB, EirGrid, Bord Gáis Éireann, Bord na Móna, RTÉ, TG4 and An Post. These Bodies employ in the region of 23,000 and had a total turnover of some €5.8 billion in 2006.

The Department accordingly exercises multiple roles as shareholder, policy formulator and oversight of regulatory agencies as well as stakeholder responsibilities in the EU and international context. This adds to the technical complexity of the functions and places significant demands on the Department. The Department is accordingly required to interact with a large range of generally well resourced agencies (commercial) in policy formulation and implementation. The Department also interacts with many other stakeholders in its areas of responsibility.

Main Areas of Department Expenditure, 2009

In addition to its policy-making activities, the Department's five largest areas of spending in 2009 (excluding license fee disbursement to RTE) are as follows:

- Roll-out of the Home Energy Savings Scheme – energy efficiency investment in private homes.
- Funding of TG4 operations.
- Funding of Inland Fisheries Sector.
- Roll-out of the National Broadband Scheme – nationwide State-supported broadband rollout by '3'.
- Continued implementation of the Greener Homes Scheme – introducing sustainable energy into private homes.

The importance of agencies to Department activities is underlined by the fact that, of the five areas listed above, only in the National Broadband Scheme, is the Department involved in direct project expenditure. Expenditures in the other areas are managed by SEI, TG4 and the Central and Regional Fisheries Boards.

Changes in Departmental Priorities 2005-2008

The single most important change in Departmental priorities over the past three years has been the re-emergence of energy policy as a critical determinant of national economic policy. This in turn has been brought about by the profile of the climate change and other environmental debates internationally together with the changing energy security and competitiveness issues internationally. Secondly, the Department has continued to be committed to large-scale procurements in broadband (e.g. National Broadband Scheme). Finally, the natural resource area, and in particular the area of petroleum exploration and

licensing has gained a new degree of prominence and required increased resource commitments.

Changes in Departmental Expenditure 2009 / 2005

Overall spending in the Department was 50% higher in 2009 than it was in those same sectors in 2005. The administrative back-office of the Department was about half the size in 2009 that it was in 2005 due to the movement of maritime transport and marine functions to the Departments of Transport and Agriculture and Food respectively. This reduction in functions is reflected in the administrative costs associated with the Department which dropped by almost half between 2005 and 2009.

Expenditure on broadcasting increased by almost a quarter over the same period due to increased license fees and higher spending on TG4. Spending on natural resources increased by €7.5m (+67%) due to special geological initiatives and mine remediation. Spending on inland fisheries increased by €12m (+44%) due to the introduction of the salmon conservation scheme. Spending in the communications areas increased by almost €23m (+240%) due to the introduction of the National Broadband Scheme. Finally, spending on energy programmes by the Department grew over eight -fold due to investment in sustainable energy technology in private homes and energy research.

Department of Communications, Energy and Natural Resources

Background Note

Mission, Goals and Critical targets for 2008-2010

Mission Statement

The Department's mission is to promote the development of communications and energy infrastructure and markets that contribute to sustainable economic development and to harness our natural resources in a productive and environmentally responsible manner.

The mission statement reflects the key impact of energy and communications policy on competitiveness and growth. It also reflects the highly important role of energy policy in meeting the climate change and energy security challenges facing our country.

Mission Statement and Strategies

Our strategies are grounded in many policy documents including the Programme for Government 2007 – 2012, the Framework for Sustainable Economic Renewal the, the National Climate Change Strategy and the Energy Policy Framework.

Environmental Analysis

External Factors

Economic Outlook

Given the present prognosis for economic growth in the medium term, the contribution of the Department to national competitiveness and productivity will be vitally important.

International Outlook

In the energy area the price of oil reached all time high levels in 2010 and the outlook, whilst subject to the prevailing international economic climate, is one of continued prices volatility relative to historical averages. Gas prices, have also become subject to volatility as North Sea production which account for 90% of our supplies has now peaked and is declining by some 8-9% per annum. These key fossil fuels are finite resources and there is growing international concern about the difficulty in matching of new supplies to growing global demand. This supply side risk is leading to increasing international attention on renewable energy and energy efficiency as key policy instruments.

In telecommunications there is also increasing international emphasis on development of next generation broadband networks and access. Countries with the best networks will have a competitive advantage. Our policy in this area will be informed by this.

Climate Change

Energy policy has a major role to play in meeting international and national climate change targets. The European Union commitment to a 20% reduction in emissions by 2020 and a 30% reduction in event of a successful conclusion to the UNFCCC process will heavily inform energy policy notably in the area of renewables and energy efficiency.

Reliance on Third Parties

Many of the Department's policy goals will rely on the efficiency and effectiveness of the State Bodies under the aegis of the Department. This is particularly pronounced in the

Energy Sector where it will be important to ensure that State Body policy and implementation is fully aligned with established Government policy. In the case of telecommunications the primary focus of delivery of infrastructure and services rests with private sector operators.

European Union/North/South

The European Union and the drive to deliver the knowledge economy (Lisbon Agenda) as well as sustainable development and environmental best practice is the context for much of the Department's responsibilities. Within the national strategic approach to the EU we will continue to work with all players to deliver on policy priorities at EU level to 2010 and beyond.

The continued development and deepening of North/South cooperation is a key Government priority. The Department's wide ranging remit is reflected in areas of existing and potential North/South cooperation within the institutional framework established under the Good Friday Agreement as well as the economic dimension including energy, communications and natural resources.

Internal Factors

Human Resources

The key element under this heading is to ensure that the Department is properly positioned and resourced to deliver the various policy goals set out in this Statement of Strategy. This has implications for the level and expertise of the human resources in the Department and to our training and ICT strategies.

Resource allocation

Whilst the Department has a relatively small budget, it funds areas of key importance such as Energy Conservation and Research, targeted Broadband Development, Broadcasting and Inland Fisheries. A prospective scenario of more constrained resources underpins the need for the pursuit of value for money and optimal outputs by the Department and its agencies for the resources made available.

Decentralisation

Under the Decentralisation Programme 55 staff, or one in six employees have been located in Cavan. This is an important constraint on the Department's flexibility in the future.

Arising from the above assessment the following are the High Level Goals of the Department for the period 2008 – 2010.

High Level Goals

- To underpin growth, competitiveness and innovation by ensuring that Ireland is to the forefront in availing of the opportunities afforded by the electronic communications and postal sectors.
- To promote a vibrant broadcasting sector, which provides engaging, entertaining and informative content for Irish audiences.
- To ensure a fully sustainable, secure and competitive energy market underpinned by diverse energy sources, energy efficiency and robust infrastructure.
- To address climate change by meeting our obligations in the reduction of energy related greenhouse gas emissions.

- To manage our river, mineral, hydrocarbon and other geological resources in a sustainable and productive manner.
- To provide best practice corporate governance and regulatory systems in all our sectors and to promote optimal communications with relevant stakeholders.
- To position the Department as a knowledge-based and results-oriented organisation, operating to the highest public service values and standards of service delivery.

Key Targets/Issues

Consistent with the High Level Goals the following sets out key targets and issues for the Department for the period 2008 – 2010. These targets and issues will act as a central reference point for the work of the Department over the period. Many other activities and objectives are set out in the body of the Statement.

1. Facilitate optimal regulatory regimes for telecommunications, postal and energy to promote competition, efficiency and innovation.
2. Promote widespread availability of and access to high quality Broadband Next Generation Networks (NGN's).
3. Promote a dynamic and flexible postal sector which assists the development of new e-commerce services across the country.
4. Advance Digital Terrestrial Television (DTT) consistent with target switchover date of 2012 and enact a comprehensive new legislative basis for development of the Broadcasting sector.
5. Promote security and competitiveness of energy supply through competition and ensure choice in the energy market and delivery of strategic energy infrastructure.
6. Deliver key contributions to Ireland's emissions targets through accelerated deployment of renewable energy technologies and energy efficiency.
7. Enhance fuel diversity through delivering renewable energy sourced electricity target of 15% by 2010.
8. Manage the exploitation in a sustainable way of onshore and offshore mineral and hydrocarbon resources.
9. Introduce improved organisational structures for the management of inland fisheries in Ireland to, inter alia, protect and improve our fresh water fish stocks.
10. Promote close working co-operation with all State Bodies to assist in the delivery of Government Policy and to ensure best practice in corporate governance of the Bodies and that the Bodies can discharge their mandates.
11. Optimum and efficient service to the Minister, the Government, the Oireachtas and to all our customers.
12. Actively and constructively contribute to formulation and implementation of policy on cross cutting issues.

13. Actively promote North South co-operation in the areas of Departmental responsibility.
14. Effectively service all EU issues under the aegis of the Department with a view to promoting Ireland's interests and making a substantive contribution to the formulation of EU policies.
15. Promotion of an excellent working environment and human resources policy for all our staff.
16. Ensure that the decentralisation of the Department to Cavan to date does not prejudice the continuity of business delivery.

Summary Vote Group Evaluation Paper – Communications, Energy & Natural Resources Vote Group

1. Main Areas of Spending

[Ideally, these should correspond with the Programmes listed in the Annual Output Statements.]

Programme:	2005 Outturn € million	2006 Outturn € million	2007 Outturn € million	2008 Prov. Outturn € million	2009 Estimate € million
A: Communications	23.987	36.356	43.204	55.876	56.973
B: Broadcasting	223.181	245.667	257.341	267.078	278.186
Broadcasting Licence Fees	200.323	205.606	217.466	224.174	234.778
C: Energy	16.151	46.224	59.637	67.608	135.240
D: Natural Resources	11.246	12.765	15.804	16.894	18.765
E: Inland Fisheries	27.661	30.683	43.215	46.420	39.871
F:	58.075	45.725	40.225	31.617	30.241
Miscellaneous	11.774	5.312	1.256	0.300	0.906
TOTAL GROSS EXPENDITURE	372.075	422.732	460.682	485.793	560.182
<i>Included Total Gross Expenditure:-</i>					
Exchequer Pay	78.099	71.198	54.217	52,587	53,996
Exchequer Pensions*					
Public service numbers included in Exchequer Pay (Whole Time Equivalents):	2005 WTE	2006 WTE	2007 WTE	2008 WTE	2009 WTE
- Civil Servants – HRD figs.	630	498	438	308	307
- Civil Servants – figs in REV	658	512	364	308	307
- Other Public Servants					
Total – figs in REV	1.866	1.781	1.378	1.301	1.328

* If paid from the Vote

2. Summary of Savings Options Proposed

	2009	2010	2011	2012
Expenditure €m				
- Current €m				
- Capital €m				
Staff surpluses, WTE				
<u>Specific Proposals (including Agency Rationalisations)</u>				
1.				
2.				
3.				

4.
5.
6.
7.
8.
9.
<i>Please add further rows if required</i>

3. Individual Programme details for each programme

Programme A (as at 1 above): [Communications]

High Level Goal

- To underpin growth, competitiveness and innovation by ensuring that Ireland is to the forefront in availing of the opportunities afforded by the electronic communications and postal sectors

Impact indicators

Communications

- Competition, innovation and growth in the electronic communications sector contributing to the economy as a whole and playing a key role in maintaining and improving national competitiveness
- An improved investment environment for the private sector, leading in particular to a rollout of next generation network (NGN) broadband
- Equality of access by all citizens to electronic communications services, thereby contributing to balanced regional development and enhanced social cohesion

Postal

- A dynamic postal sector with postal operators ranging from large operators with nationwide and international reach, to small niche operators, each focussed on providing innovative, attractive and competitive postal products.
- A nationwide, customer-focussed network of post offices in operation.

Programme Rationale and Prioritisation

The programme prioritises expenditure aimed at addressing market failure in the provision of key communications infrastructures, and in the promotion of innovation and growth in the digital communications sector so as to maintain and improve national competitiveness

Inputs

Communications Programme	2007 € million	2008 Outturn € million	2009 Estimate € million
Programme Expenditure:			
- Current	2.871	4.007	3.675
- Capital	41.016	51.868	53.299
Administration and Other Support			
- Pay	1.927	2.234	2.261
- Non-Pay	0.733	0.984	0.432
TOTAL GROSS PROGRAMME EXPENDITURE	46.547	59.093	59.667
Public service numbers for Programme (Whole Time Equivalents):	2007 WTE	2008 WTE	2009 WTE
- Civil Servants	31	30	
- Other Public Servants			

Broken down by Subhead as follows:

Communications Programme	2007 Outturn / Output Achieved	2008 Outturn / Output Achieved	2009 Estimate / Output Target
Subhead B1 – Information and Communications Technology Programme	Total - €37.954m	Total - €49.031m	Total - €48.049m
- Capital	€37.954m	€49.031m	€48.049m
Outputs		60 MANS completed 1.125m broadband subscribers	59 MANS II completed Broadband available in 48% of the NBS coverage area
		N/A	Pilot 100 Mbs Schools Broadband
		N/A	Kelvin: Connections from Derry to Letterkenny and Monaghan; and Monaghan to Dublin via Dundalk
Subhead B2 – Multimedia Developments	Total - €4.356m	Total - €4.572m	Total - €6.881m
- Current	€1.856m	€1.941m	€1.881m
- Capital	€2.500m	€2.631m	€5.000m
Outputs		101 DHDA companies with 870 staff	107 DHDA companies with 1000 staff
		7 NDRC projects approved for development	15 projects under development
Subhead B3 – Rapid Programme (Dormant Accounts Allocation)	Total - €0.901m	Total - €0.518m	Total - €1.147m
- Current	€0.339m	€0.311m	€0.897m
- Capital	€0.562m	€0.207m	€0.250m
Outputs		Funding completed for 6 schemes	?

Subhead B4 – Information Society and inclusion	Total - €0.000m	Total - €1.755m	Total - €0.896m
- Current		€1.755m	€0.896m
Outputs		Grant allocations to 87 organisations amounting to €2.23m	Review scheme

Delivery Mechanism: A brief outline of how the Programme is delivered. Ensure the outline includes any Agencies involved in the process

- The National Broadband Scheme is delivered by 3 (a Hutchison Whampoa company)
- The Metropolitan Area Networks Phase II (MANs II) is delivered by building contractors contracted by Local Authorities and overseen by the Department's technical consultants
- The Management Service Entity for MANs II is delivered by the Department's technical consultants on an interim basis pending identification of the winning bidder under a public procurement process
- 100mbps to post-primary schools will be delivered by the winning bidders under public procurement processes
- Project Kelvin is delivered by Hibernia Atlantic (HA)
- The National Digital Research Centre's (NDRC) objectives are delivered through the oversight, by the NDRC, of translational research
- The Digital Hub Development Agency (DHDA) oversees the development of a cluster of digital media companies.

Assessment of how this expenditure programme is meeting the policy objectives it is intended to. This assessment should take into account the resources being deployed to achieve the outcomes

- NBS: The company 3 has just begun to roll out the network. A combination of incentives, possible penalties, and a performance bond form part of the contract and are linked to key project milestones aimed at achieving widespread availability of broadband by end 2010. The ex ante CBA of the project had a positive NPV of X.
- MANs II: The VFMPR of MANs II found that the programme made a significant contribution to the development of the telecommunications sector in Ireland; contributed significantly to the competitiveness of regional centres in Ireland and their attractiveness for international foreign direct investment; and the IDA are unequivocal in their view that the MANs have provided their client customers with much greater choice, service and better prices when it comes to broadband (and telephony) connectivity. The review also found that the MANs intervention is less suitable to smaller urban areas without a critical mass of population. The rollout of MANs in those towns for which Phase II MANs are planned but on which work has not yet started, has been halted pending a formal case-by-case evaluation

MSE for MANs II: The entity is required to manage, market, operate and maintain the MANs II that are already in place. Can we add info. on performance/cost effectiveness?

- 100mbps to post-primary schools: Ex ante evaluation has commenced
- Project Kelvin: The network to enhance international connectivity is being planned by HA at present. The ex ante CBA of the project had a positive NPV of X. Need something on N-S and co-funding dimension.
- NDRC: After a slow start, the centre is now making progress with the projects in line with the policy objective of promoting innovation and growth in the digital communications sector. Need hard numbers.
- DHDA: While the cluster of companies is doing well (hard data required), there have been problems with the delivery of DHDA owned property (examples). Additional delays (length) are now certain with the building projects (implications).

List the key drivers of the increase in expenditure / numbers since 2002, paying particular attention to 2007 to 2009 and, if appropriate, key demographic pressures arising in future years. How can these drivers be contained?

- Since 2002 the main driver of expenditure has been the need to address market failure in the provision of key communications infrastructures, and in the promotion of innovation and growth in the digital communications sector so as to maintain and improve national competitiveness.
- Between 2002 and 2006 investment was concentrated in open access infrastructure through the MANs programme to enhance regional towns' e-communications network infrastructures.
- The MANs II will not generate sufficient revenues in the medium to long term and consequently will need to be managed on the State's behalf over the next 15 years (a concession agreement is being negotiated at present).
- Since 2007, the focus has shifted to ensuring broadband availability in unserved areas through the NBS, and enhancing international connectivity capacity by implementation of the Kelvin project.
- The "broadband availability" driver will disappear in 2010 but a new driver "broadband speeds" is likely to evolve giving rise to pressure to fund the elements of higher speed networks.
- The DHDA's draw on central funding has declined slightly over recent years but it will not become self-financing as planned from 2010 onwards. Need more information.

Why has it not become self-financing? When is this likely to happen? As things stand what is its forecast draw on central funding and over what period?

Outline the likely consequences if this Programme were discontinued entirely?

- NBS: There is a contractual commitment to spend €X over the next Y years as follows: Need information on spend by year The consequence of dropping the programme completely is that broadband will not be made available in currently unserved areas and the contract with the company 3 would be breached
- MANs II: The MANs programme is now largely complete. The rollout of MANs in those towns for which Phase II MANs are planned but on which work has not yet started, has been halted pending a formal case-by-case evaluation
- MSE for MANs II: The entity is required to manage, market, operate and maintain the MANs II that are already in place. If discontinued MANs II would not operate or be maintained
- 100mbps to post-primary schools: The ex ante evaluation has not yet been completed so the consequences of discontinuing the programme can not be exactly specified in terms of loss of net benefit to society. At a basic level, discontinuance would mean that post-primary schools would be left with existing lower speed broadband connections which would reduce the capacity of teachers and students to collaborate simultaneously on-line
- Project Kelvin: There is a contractual commitment to spend €X over the next Y years as follows: Need information on spend by year The consequence of dropping the project completely is that international connectivity will not be enhanced; the North-South funding agreement would be broken; and the contract with the company HA would be breached
- NDRC: There is a contractual commitment to spend €X over the next Y years as follows: Need information on spend by year If discontinued, the translational centre would close impacting on the creation of higher value-added, knowledge society jobs and the contract with the NDRC would be breached
- DHDA: Discontinuance would mean that responsibility for the current start-up incubation services, property services and educational/social outreach programmes would have to be reassigned and/or ceased.

*Opportunities and obstacles for rationalising the staffing resources for this Programme
(incl. any work practice, mobility issues)*

No opportunity was identified for rationalising staffing resources for this Programme

List of Recommendations and Options for (1) scaling back or discontinuing this Programme and (2) securing savings / efficiencies on this Programme, including savings / surplus staff arising:

Recommendation A: The DHDA's functions could be transferred as outlined in Part 4 More specific detail required on savings/surplus staff

Option B: Defer rollout of MANs in those towns for which Phase II MANs are planned but on which work has not yet started More specific detail required on savings

Option C: Consideration could be given to deferring the 100mbps to post primary schools project until such time as the recurring costs associated with the project are likely to be manageable by the Department of Education More specific detail required on savings

Programme B (as at 1 above): [Broadcasting]

High Level Goal

- To promote a vibrant broadcasting sector, which provides engaging, entertaining and informative content for Irish audiences

Impact Indicators

- High quality public service broadcasting available to and availed of by Irish audiences
- A regulatory environment that facilitates the development of public service, commercial and community broadcasting
- Continued availability to Irish audiences of universal and free-to-air broadcasting services in a digital environment and development of services for Irish communities abroad

Programme Rationale and Prioritisation

A fundamental objective – cultural, social and economic in nature - in any democratic European State is to maintain public broadcasting services that educate, entertain and inform. Such has been in place since the foundation of the State. Since 1988 Ireland has also sought to ensure the development of purely commercial broadcasting services within the appropriate regulatory framework. The underlying market failure logic is that free markets left to their own devices would not produce public broadcasting services at the price and/or in the quantity and form required to maximise the benefit to society.

Inputs

Broadcasting Programme	2007 € million	2008 Outturn € million	2009 Estimate € million
Programme Expenditure:			
- Current	252.111	264.647	277.286
- Capital	5.237	2.431	0.900
Broadcast Licence Fee Receipts	217.466	224.174	234.778
Administration and Other Support			
- Pay	0.673	0.692	0.700
- Non-Pay	0.312	0.185	0.206
TOTAL GROSS PROGRAMME EXPENDITURE	258.334	267.954	279.092
Public service numbers for Programme (Whole Time Equivalents):	2007 WTE	2008 WTE	2009 WTE
- Civil Servants	12	11	11
- Other Public Servants			

Broken down by Subhead as follows:

Broadcasting Programme	2007 Outturn / Output Achieved	2008 Outturn / Output Achieved	2009 Estimate / Output Target
Subhead C1 – Grant to RTE for Broadcasting Licence Fees (Grant-in-Aid) - Current	Total - €194.838m €194.838m	Total - €201.066m €201.066m	Total - €209.727m €209.727m
Outputs		Delivery on RTE's Statement of Performance Commitments will be in its Annual Report	Delivery by RTE on its Statement of Performance Commitments
Subhead C2 – Payment to An Post for collection of Broadcasting Licence Fees - Current	Total - €12.221m €12.221m	Total - €12.630m €12.630m	Total - €14.012m €14.012m
Outputs		New methodology for contract between Department and An Post agreed	?
Subhead C3 – Broadcasting Commission of Ireland (Grant-in-Aid) - Current	Total - €3.810m €3.810m	Total - €5.000m €5.000m	Total - €4.738m €4.738m
Outputs		Funds allocated, through the Broadcasting Fund, to eligible projects	BCI/BAI to licence DTI

			Review of Children's Advertising Code developed and implemented	
Subhead C4 – Grant to TG4 (Grant-in-Aid)	Total - €31.897m	Total - €36.390m	Total - €38.620m	
- Current	€30.980m	€35.473m	€37.720m	
- Capital	€0.917m	€0.917m	€0.900m	
Outputs		4.5 hours of Irish language programming per day	4.6 hours of Irish language programming per day	
Subhead C5 – Broadcasting Fund	Total - €10.255m	Total - €10.478m	Total - €11.039m	
- Current	€10.255m	€10.478m	€11.039m	
Outputs		Fund allocated to eligible projects Need numbers and impact	Fund allocated to eligible projects Need numbers and impact	
Subhead C6 – Grants for Digital Terrestrial Television	Total - €2.520m	Total - €1.514m	Total - €0.050m	
- Current			€0.050m	
- Capital	€2.520m	€1.514m	-	
Outputs		DTT piloted completed	Awareness campaign for analogue switchover	
		Digital TV website launched		

Delivery Mechanism: A brief outline of how the Programme is delivered. Ensure the outline includes any Agencies involved in the process

RTE and TG4 are semi-state companies funded partly through subsidy. RTE's subsidy is 95% of net TV licence fee receipts (amounting to X% of RTE's turnover) which are Exchequer-neutral. TG4's subsidy (amounting to X% of TG4's turnover) is direct from the Exchequer. The Broadcasting Commission (BCI) has been funded by the Exchequer since 2001, but will be funded by an industry levy as the Broadcasting Authority (BAI) from 2009. 5% of net TV licence fee receipts go to the Broadcasting Fund, which is administered by the BCI and funds Irish produced programmes shown by many broadcasters.

Assessment of how this expenditure programme is meeting the policy objectives it is intended to. This assessment should take into account the resources being deployed to achieve the outcomes

Irish public service broadcasters continue to enjoy a critical mass in terms of prime time market share (X%+) and have maintained ratings and relevance despite intense English-language competition. BCI regulation of the sector has resulted in a well developed independent broadcast sector, especially in local radio.

List the key drivers of the increase in expenditure/numbers since 2002, paying particular attention to 2007 to 2009 and, if appropriate, key demographic pressures arising in future years. How can these drivers be contained?

- The licence fee income growth reflects an increased level of household formation in the last number of years and index-linked increases in the fee up to 2007
- Funding of TG4 has increased in recent years reflecting the Government commitment to increase the daily duration of the TG4 Irish language schedule

Outline the likely consequences if this Programme were discontinued entirely?

- The abolition of the licence fee would mean an abandonment of large elements of public service broadcasting
- The removal of Exchequer funding for TG4 would result in the closure of the service unless this funding was replaced by another source

Opportunities and obstacles for rationalising the staffing resources for this Programme (incl. any work practice, mobility issues)

- In considering opportunities for rationalising RTE services, it should be noted that licence fee receipts are Exchequer neutral as stated above. Any adjustment to the

licence fee will impact only on gross Departmental expenditure. Net expenditure will be unaffected

- Use of the licence fee to fund other services e.g. TG4 will be constrained by the fact that RTE it is facing a decline of over €80m in income in 2009, primarily due to the downturn in advertising
- The Broadcasting Authority of Ireland could be combined with other content regulators e.g. the Irish Film Classification Office (given that very similar functions are carried out regarding assessing of audiovisual content) and the Office for Internet Safety; and the Irish Film Board which spends a similar level of funding on broadcast/film content creation. This could achieve greater economies of scale in administrative costs and/or reduce overlap. Need information on possible constraints

List of Recommendations and Options for (1) scaling back or discontinuing this Programme and (2) securing savings / efficiencies on this Programme, including savings / surplus staff arising:

Recommendation A: Amalgamation of BAI and Irish Film Classification Office More specific detail required on savings/surplus staff Also is amalgamation only with IFCO or should it include other bodies cited above?

Option B: A reduction in the level of Exchequer funding to TG4 More specific detail required on savings/surplus staff

Option C: X Funding of BAI by levy (planned) This option is already planned so its inclusion here is questionable Reduce/cap contributions to broadcasting fund X% of levy or €Xm whichever is less

Programme C (as at 1 above): [Insert]

High Level Goals

- To ensure a fully sustainable, secure and competitive energy market underpinned by diverse energy sources, energy efficiency and robust infrastructure
- To address climate change by meeting our obligations in the reduction of energy related greenhouse gas emissions

Impact Indicators

- Consistent and reliable electricity supply and generation adequacy that will meet the needs of enterprise and consumers
- Security of gas supply on the island through infrastructure investment and storage, robust market and regulatory arrangements and Liquefied Natural Gas (LNG) strategies
- The progressive reduction in reliance on imported fossil fuels and reduction in energy related greenhouse gas emissions in line with Government targets
- Growth of renewable energy sources in line with Government targets and support for emerging technologies that underpin sustainable energy use in the economy as well as growth in the green energy enterprise sector
- More efficient use of energy to enhance security of supply, industry competitiveness, affordability of energy and environmental sustainability
- Delivery of the national energy Research, Technology, Development and Innovation (RTDI) programmes and priorities will underpin sustainable energy goals, create a vibrant energy research sector, and underpin innovation and market opportunity in energy technologies products and services
- The setting of clear strategic directions with the Semi State energy bodies to position them strongly to deliver on the challenges and opportunities of the new energy landscape in support of economic and social development and energy policy goals, including renewable energy, energy efficiency and energy security

Programme Rationale and Prioritisation

The rationale for programme intervention in the energy sector is market failure to achieve the key policy objectives in the Energy White Paper: "*Delivering a Sustainable Energy Future for Ireland*" published in March 2007 and the Programme for Government of June 2007:

- Ensuring security of energy supply
- Promoting the sustainability of energy supply and use
- Enhancing the competitiveness of energy supply

The programme expenditure, almost all of which is administered by Sustainable Energy Ireland, prioritises energy efficiency, renewable energy and energy R&D. It addresses market failures in relation to:

- the provision of information to underpin sustainable energy demand and supply decisions
- the development of markets for sustainable energy (including future technologies which carry an associated risk)
- the setting of appropriate standards for these emerging markets
- the undertaking of public good energy research and the building of research capacity which provide the theoretical and technical foundation to enable the private sector to produce the goods and services necessary for future sustainable energy markets

The Department also engages in policy development and governance of the commercial and non commercial energy bodies under the aegis of the Department, which underpin the programme activity outlined above. X In addition to this activity, the Department is active in the development of regulated competitive markets for electricity and gas, which includes the establishment of appropriately regulated natural monopoly network operators.

Inputs

	2007 € million	2008 Outturn € million	2009 Estimate € million
Programme Expenditure: ¹			
- Current	€12.580	€10.447	€10.478
- Capital	€47,200	€57.325	€125.025
Administration and Other Support			
- Pay	€2.708	€2.862	€2.897
- Non-Pay	€1.071	€1.167	X €.365
TOTAL GROSS PROGRAMME EXPENDITURE			
Public service numbers for Programme (Whole Time Equivalents):	2007 WTE	2008 WTE	2009 WTE
- Civil Servants	45	42	41
- Other Public Servants ²	51	60	74

Broken down by Subhead as follows:

¹ These figures relate to programmes run by both SEI and the Department; Separate figures for SEI are included at (4) below. Figures for CER and NORA are presented separately, as neither is funded from the vote.

² These figures relate to SEI only

Energy Programme	2007 Outturn / Output Achieved	2008 Outturn / Output Achieved	2009 Estimate / Output Target
Subhead D1 – Sustainable Energy Ireland – Administration and General Expenses	Total - €7,000m	Total - €7,530m	Total - €8,518m
- Current	€7,000m	€7,530m	€8,518m
Outputs		Operation of SEI	Operation of SEI
Subhead D2 – Sustainable Energy Programmes	Total - €47,200m	Total - €43,980m	Total - €100,172m
- Capital	€47,200m	€43,980m	€100,172m
Outputs		Increased penetration of renewable energy in heating sector: 9,543 installations under the Greener Homes Scheme 93 installations under the Reheat Programme Energy Efficiency measures applied in an additional 5,285 fuel poor homes	Increased penetration of renewable energy in heating sector: 7,000 installations under the Greener Homes Scheme 120 projects approved under the Reheat Programme Energy Efficiency measures applied in an additional 8,000 fuel poor homes 13,000 homes grant assisted under the Home Energy Savings Scheme Need targets for Public Sector and Industry
Subhead D3 – Energy Research Programmes	Total - €0,479m	Total - €13,562m	Total - €18,048m
- Current	€0,331m	€0,217m	€0,698m
- Capital	€0,148m	€13,345m	€17,350m

Outputs	Ocean Energy Development Unit established; and prototype fund opened	Need Ocean Energy target
Subhead D4 – Strategic Energy Infrastructure		Total - €0.001m
- Capital	N/A	0.001
Outputs	N/A	N/A
Subhead D5 – Energy Efficiency Awareness Initiatives		€0.998m
- Current	€2.500m	€0.998m
Outputs	Power of One energy efficiency awareness programme	?
		€4.957m
		€4.957m

Delivery Mechanism: A brief outline of how the Programme is delivered. Ensure the outline includes any Agencies involved in the process

Almost all the programme expenditure is administered by Sustainable Energy Ireland. Its role is to promote and assist more sustainable production and use of energy in Ireland. This includes implementing significant aspects of the Energy White Paper: "*Delivering a Sustainable Energy Future for Ireland*" and the National Climate Change Strategy (2007-2012) as provided for in the National Development Plan (2007-2013). Full details of this programme expenditure are contained in Appendix 1.

The administration and other support costs incurred by the Department underpin its activity in policy development and governance of the energy bodies under its aegis.

Assessment of how this expenditure programme is meeting the policy objectives it is intended to. This assessment should take into account the resources being deployed to achieve the outcomes.

This expenditure programme is, in general, meeting the policy objectives set for it the Energy White Paper. The earlier section on Outputs shows achievements in 2007 and 2008, as well as targets for 2009.

Key indicators show progress [we need more on macro indicators linked to three overarching objectives of the White Paper], despite significant volatility in energy markets in recent years e.g. the share of electricity from renewable energy has nearly doubled between 1990 and 2007 from 4.9% to 9.4%. with most of this increase taking place in the years 2000 to 2007. The targets for Sustainable Energy Ireland's programmes over the period have in the main been achieved. An Energy Efficiency Action Plan has been completed and published.

In terms of resources deployed to achieve these outcomes, a recent review of Sustainable Energy Ireland clearly set out the increase in the functions, programme budget and remit under its aegis with little consequential current resource adjustment.

List the key drivers of the increase in expenditure/numbers since 2002, paying particular attention to 2007 to 2009 and, if appropriate, key demographic pressures arising in future years. How can these drivers be contained?

The key drivers of change in expenditure/numbers *since 2002* are:

- EU climate change Directives and targets
- Growing concerns over security of supply
- Increasing volatility in energy prices

- Progressing the development of the all-island energy market
- Participation in the ongoing development of EU energy policy
- Government priorities in the energy efficiency area

Over the period *2007 to 2009*:

- Overall current expenditure has been relatively flat and, in real terms, would show a decline
- Capital expenditure has increased and the 2009 Estimate is more than double the 2008 Outturn
- Departmental Civil Servant numbers show a slight decrease
- Sustainable Energy Ireland Public Servant Numbers for 2009 show an increase on 2008

The increase in the 2009 Estimate for capital is driven by the allocation of additional resources to labour intensive energy efficiency capital programmes (i.e. Home Energy Savings Scheme; Warmer Homes Scheme; Industry Programme; and Public Sector Energy Efficiency Programme) as part of the Government's Programme for Economic Recovery.

It should be noted that some of the key drivers of change in terms of achieving the Energy White Paper objectives of security of supply, sustainability, and competitiveness are beyond the control of the State. Key to mitigating against these factors are:

- Increasing the availability of sustainable energy supply at least cost
- Encouraging greater efficiency in the consumption of energy

Both of these approaches are fundamental components of the complement of individual programmes currently in progress.

Outline the likely consequences if this Programme were discontinued entirely?

Ireland is a small island economy with very little indigenous energy resources that relies heavily on importation of oil and gas to meet our energy needs. The likely consequences if this Programme were discontinued would be:

- Failure to meet EU targets on climate change
- Increased exposure to volatile international price trends
- Possible energy shortages
- Short and long term declines in economic competitiveness.

*Opportunities and obstacles for rationalising the staffing resources for this Programme
(incl. any work practice, mobility issues)*

As outlined above Departmental Civil Servant numbers show a slight decrease since 2007; and Sustainable Energy Ireland has significantly increased its activity with little consequential current resource adjustment. As a result it is necessary to identify opportunities for rationalising staffing resources in a broader context. Three possibilities to achieve greater economies of scale in administrative costs and/or reduce overlap have been identified below. Obstacles include:

- Sustainable Energy Ireland is currently based across four locations which would make staffing reductions more challenging to achieve
- The differing roles of Sustainable Energy Ireland and the Commission for Energy Regulation, combined with the legal requirement to maintain regulatory independence, would make merging of the two organisations difficult
- The differing roles of the Environmental Protection Agency and the Marine Institute from one another, and from Sustainable Energy Ireland; and the fact that the former two have headquarters at differing locations outside Dublin; would be likely to reduce savings achievable from merger

List of Recommendations and Options for (1) scaling back or discontinuing this Programme and (2) securing savings / efficiencies on this Programme, including savings / surplus staff arising

Recommendation A: Amalgamate Sustainable Energy Ireland with smaller agencies already operating in similar sectors e.g. Comhar, and with the elements of Forfás operating in the energy research area (including the sharing of back office services with Forfás) More specific detail required on savings/surplus staff

Option B: Merge Sustainable Energy Ireland with the Commission for Energy Regulation More specific detail required on savings/surplus staff

Option C: Merge Sustainable Energy Ireland with the Environmental Protection Agency and/or the Marine Institute More specific detail required on savings/surplus staff

Programme D (as at 1 above): [Named Resources]

High Level Goal

- To manage our river, mineral, hydrocarbon and other geological resources in a sustainable and productive manner.

Impact Indicators

Petroleum Affairs

- A higher level of exploration investment to increase the prospect of further oil and gas discoveries and to help deepen knowledge of Ireland's petroleum producing potential
- A robust and clear regulatory framework in place that is consistent with best practice internationally
- Extension of the continental shelf limits westwards beyond 200 nautical miles to open up large new swathes of acreage for licensing

Exploration & Mining

- Stimulating the discovery of additional economic mineral deposits
- The enactment of the Minerals Development Bill
- Effective rehabilitation of old mine sites to reduce the risk to humans and animals as well as to make a positive contribution to rural communities

Geological Survey of Ireland (GSI)

- Underpin better-informed decision-making at national and local authority levels through identifying the potential for groundwater and aggregate resources, identifying the environmental risk posed by old mining areas and implement remediation on selected sites (e.g. Avoca), as well as the possibilities for storing carbon underground
- The provision of services to support effective planning to ensure that vital resources remain available for balanced regional development and that they are not contaminated or sterilised by housing or other development
- Management of the national marine mapping programme. INFOMAR, in conjunction with the Marine Institute, to provide key baseline data for sustainable development of the marine
- Providing access to geoscience databases to support priority research and education services

Ordnance Survey Ireland (OSi)

The provision of timely and accurate spatial data is essential for the efficient delivery of services by many public and private sector organisations. The more accurate and relevant the data provided by OSi to their customers, the greater the potential will be for adding value and increasing the contribution to society as well as the economy

Programme Rationale and Prioritisation

Petroleum Affairs (Subhead E1)

The Department's strategy in relation to exploration for and production of oil and gas is that these natural resources should be used to contribute to achieving the twin objectives of contributing to ensuring Ireland's security of energy supply and providing a fair financial return to the State from its natural resources. Accordingly, the Department's strategy for the period 2008 to 2010 is to continue to actively promote the opportunities for exploration for oil and gas offshore Ireland and to develop and manage the associated regulatory framework in a manner that will encourage effective and timely exploration activities which are conducted in accordance with best international practice

Exploration & Mining (Subhead E2)

The Department's goal is to maximise the contribution of the mining sector to the economy, with due regard to its social and environmental impact and to facilitate the remediation of old mine sites, in cases where the Minister has an identifiable and acknowledged role

Geological Survey of Ireland (GSI) (Subheads E3, E4 and E5)

The GSI is a branch of the Department and is responsible for the provision of geological information and advice which is crucial to infrastructural and environmental policy. The National Geoscience Programme (2007 – 2013) sets out the framework for the GSI over the period of this Statement of Strategy. The Department's goal maximise the benefit to Ireland of high quality geoscience information that is relevant to the needs of the country and is provided in a cost-effective manner.

- **GSI Public Services (E3)** is a series of externally funded public contracts which enables GSI to work on a cost shared basis with external partners on projects driven by national and EU priorities
- **Geoscience Initiatives (E4)** are strategic infrastructural linked projects, designed to provide reliable geoscience support for prioritised environmental protection and effective spatial planning onshore, in areas such as the Groundwater Protection

Schemes, Aggregate Potential Mapping, Landslides Mapping, Geoparks and Geoheritage Support

- **INFOMAR Programme (E5) (Integrated Mapping for the Sustainable Development of Ireland's Marine Resource)**, is Ireland's national marine mapping programme. Carried out in partnership with the Marine Institute, its outputs are a range of integrated mapping products which support safety, environmental protection, energy development and research, and underpin the development of marine spatial planning. The programme is meeting information needs of several Departments and agencies and it was recently approved for continuance to 2013 by Government decision (S29341, 16/12/2008).

Ordnance Survey Ireland (OSi) (Subhead E6)

The Ordnance Survey Ireland has been engaged since 1824 in developing national mapping services. In 2002 the OSi was established by statute as a state body with the strategic aims of continuing to develop its public interest role as well as developing a more commercially focused mandate for its mapping products and services. The OSi came under the aegis of the Department with effect from 1st January 2008

Inputs

Natural Resources Programme	2007 € million	2008 Outturn € million	2009 Estimate € million
Programme Expenditure:			
- Current	1.760	6.422	8.299
- Capital	9.087	12.254	10.605
Administration and Other Support			
- Pay	4.450	4.864	4.923
- Non-Pay	2.588	2.768	1.323
TOTAL GROSS PROGRAMME EXPENDITURE	17.884	26.309	25.150
Public service numbers for Programme (Whole Time Equivalents):	2007 WTE	2008 WTE	2009 WTE
- Civil Servants	97	80	
- Other Public Servants			

Broken down by Subhead as follows:

Natural Resources Programme	2007 Outturn / Output Achieved	2008 Outturn / Output Achieved	2009 Estimate / Output Target
Subhead E1 – Petroleum Services	Total - €0.300m	Total - €0.631m	Total - €0.517m
- Current	€0.300m	€0.631m	€0.517m
Outputs		New application from Shell E&P Ireland to construct a gas pipeline processed in accordance with Section 40 of the Gas Act 1976	Continue to administer the statutory processes for existing and new Corrib Gas Field
Subhead E2 – Mining Services	Total - €1.181m	Total - €3.920m	Total - €7.558m
- Current	€0.628m	€0.303m	€2.558m
- Capital	€0.553m	€2.987m	€5.000m
Outputs		Phase 1 works on Silvermines Rehabilitation work completed Elements of Phase 2 brought forward and completed	Ensure effective implementation of specific mine rehabilitation plans Need more detail New Minerals Development Act Regulatory framework for geothermal energy
Subhead E3 – GSI Services	Total - €0.684m	Total - €0.383m	Total - €0.585m
- Current	€0.684m	€0.383m	€0.585m
Outputs		?	?

Subhead E4 – Geoscience Initiatives	Total - €1.295m	Total - €2.683m	Total - €1.228m
- Capital	€1.295m	€2.683m	€1.228m
Outputs		28 maps and 7 reports made publicly available 33 digital databases created or upgraded €1.899m funding provided to 8 research projects under the Griffith Geoscience Research Awards	Publish 20 maps and 10 reports 10 digital databases created Complete 3 County Groundwater Protection Schemes Secure annual reports and presentations from 8 funded research projects
Subhead E5 – National Seabed Survey	Total - €5.258m	Total - €3.937m	Total - €3.392m
- Capital	€5.258m	€3.937m	€3.392m
Outputs		Mapping completed for Bantry, Dunmanus, Galway, Sligo, Donegal and Tralee Bays	Map two further priority bays
Subhead E6 – Ordnance Survey Ireland (Grant-in-Aid)	Total - €5.250m	Total - €5.970m	Total - €5.485m
- Current	€4.000m	€4.970m	€4.500m
- Capital	€1.250m	€1.000m	€0.985m
Outputs		7,500 large scale maps revised	?

Delivery Mechanism: A brief outline of how the Programme is delivered. Ensure the outline includes any Agencies involved in the process

Petroleum Affairs

The Department, through the Petroleum Affairs Division, works to:

- Maximise the level of oil and gas exploration and production activities in Ireland with a view to optimising the return to the State
- Ensure that the regulatory framework in place is robust, clear, promotes certainty and is in keeping with international best practice, while encouraging exploration, development and production activities to be carried out in an effective and timely manner
- Maximise the area of Continental Shelf under Irish jurisdiction

Exploration & Mining

The Department, through the Exploration and Mining Division, works to:

- Maximise the contribution of the mining sector to the economy with due regard to its social and environmental impact
- Develop the regulatory and general policy framework
- Require and facilitate sustainable practices in the minerals sector
- Oversee specific remediation projects and to provide well-informed policy and decision-making advice in relation to old mine sites

Geological Survey of Ireland (GSI)

- **GSI Public Services (E3)** is delivered through joint projects with local authorities, agencies (including EPA, SEI, MI) and charitable/voluntary status bodies, sometimes involving the hire and supervision of contract or consultancy staff. EU INTERREG and FP7 projects are carried out in conjunction with international organisations including European Geological Surveys and Universities
- **Geoscience Initiative (E4)** projects are delivered mostly through procurement of external specialist services with technical and project management by GSI senior managers, while the Griffith Research awards is an all Ireland Scheme that provides grants to specific third level institutions and other organisations for priority geoscience research and geology education services. They support the development of the knowledge economy and government initiatives in the expansion of science and engineering