

Broken down by Subhead as follows:

	2007	2008	2009
	Outturn / Output Achieved	Outturn / Output Achieved	Estimate / Output Target
Broadcasting Programme			
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	Contribution of 44% to RTF's funding requirements to deliver their Programme outputs	Contribution of 45% to RTE's funding requirements to deliver their Programme outputs	Contribution of forecast licence fee receipts of €209.7m to RTE's funding requirements to deliver their Programme outputs
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	The operation of the television licence system, including the collection of licence fee monies and issuing the licences. In 2007 this amounted to the sale of 1,059,682 licences.	The operation of the television licence system, including the collection of licence fee monies and issuing the licences. In 2008 this amounted to the sale of 1,067,515 licences.	The operation of the television licence system, including the collection of licence fee monies and issuing the licences. In 2009 the target level of sales is 1,089,535 licences.
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

<p>Outputs</p>	<ul style="list-style-type: none"> • Introduction of two new codes: the BCI General Advertising Code and the BCI Code of Programme Standards. • Development of DTT licensing policy • Award of numerous radio and television contracts • BCC processed 144 complaints and decisions were forwarded to the complainants and the relevant broadcasters and/or advertisers 	<ul style="list-style-type: none"> • Award of three DTT Multiplex contracts in principle • Draft Archiving Scheme completed • Award of numerous radio and television contracts • Complaints processed by the BCC and decisions forwarded to the complainants and the relevant broadcasters and/or advertisers 	<p>2009 Commitments include:</p> <ul style="list-style-type: none"> • To conclude contract negotiation stage of the DTT multiplex licensing process • To complete contract award process for UPC EPG contracts • Commence revision of the Children's Advertising Code • Implement BCI Communications Plan Phase 1 2009 • To process complaints received by the BCC and forward decisions to the complainants and the relevant broadcasters and/or advertisers <p>On enactment of the Broadcasting Bill this year, the BCI will be replaced by the new Broadcasting Authority of Ireland (BAI)</p>
<p>Subhead C4 – Grant to TG4 (Grant-in-Aid)</p>	<p>Total - €31.897m</p>	<p>Total - €36.390m</p>	<p>Total – €38.620m</p>
<p>- Current</p>	<p>€30.980m</p>	<p>€35.473m</p>	<p>€37.720m</p>
<p>- Capital</p>	<p>€0.917m</p>	<p>€0.917m</p>	<p>€0.900m</p>
<p>Outputs</p>	<p>4.2 hours of Irish language programming per day</p>	<p>4.5 hours of Irish language programming per day</p>	<p>4.6 hours of Irish language programming per day</p>

³ Details of licences issued by BCI are contained in the leading Indicators document

Subhead C5 – Broadcasting Fund	Total - €10.255m	Total - €10.478m	Total - €11.039m
- Current	€10.255m	€10.478m	€11.039m
Outputs	622 applications received and assessed and an allocation of €21m was awarded	Total funding allocated of €10.99m through 239 grants as follows: TV only - €4.56m Radio only – €1.24 TV & Radio – €5.19m	273 applications expected in 2009. Funding allocated will be dependent on the number and quality of applications received.
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 pilot launched	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 receives 95% of net TV licence fee receipts (amounting to 45% of RTE's turnover). TG4's subsidy (amounting to 88% 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 independently Irish produced programmes.

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 (approximate peak-time share for RTE is 44% and for TG4 is 3%) and have maintained ratings and relevance despite intense 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)

- See material under Corporate heading

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:

- *Option A:* Amalgamation of Broadcasting Authority of Ireland and Irish Film Classification Office (currently under the aegis of the Department of Justice, Equality and Law Reform), on the basis that content regulation is common to both and significant synergies and efficiencies can be achieved. Further consideration should also be given to what other content regulation could be administered from within the new Authority
- *Option B:* Study the interrelationship of RTE Group, TG4 and other broadcasters within the evolving media market to see what efficiencies and strategic benefits could arise from greater cooperation between broadcasters.
- *Option C:* Funding of Broadcasting Authority of Ireland by levy (planned). This will realise a saving of €6m per annum

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

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
- 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. 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.

More generally energy policy goals are delivered through the activities of the Commission for Energy Regulation and the Commercial State Bodies (involvement in infrastructure etc.). Ireland's dependence on imported fossil fuels to generate around 90% of electricity means that there are elements, particularly in relation to cost, over which the Department has no direct influence. This underlines the importance of these programmes which seek to increase renewable indigenous sources of supply and to promote energy efficiency.

Inputs

	2007 € million	2008 Outturn € million	2009 Estimate € million
Programme Expenditure: ⁴			
- 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	42
- Other Public Servants ⁵	51	60	74

⁴ 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.

Broken down by Subhead as follows:

⁵ 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 - Current	Total - €7,000m €7,000m	Total - €7,530m €7,530m	Total - €8,518m €8,518m
Outputs	Administrative costs of SEI to deliver the programme and policy outputs set out under as appropriate	Administrative costs of SEI to deliver the programme and policy outputs set out under as appropriate	Administrative costs of SEI to deliver the programme and policy outputs set out under as appropriate
Subhead D2 – Sustainable Energy Programmes - Capital	Total - €47,200m €47,200m	Total - €43,980m €43,980m	Total - €100,172m €100,172m
Outputs	Increase penetration of renewable energy in the heating sector: 8,380 installations under the Greener Homes Scheme 27 installations under the Reheat Programme	Increase penetration of renewable energy in heating sector: 9,543 installations under the Greener Homes Scheme 93 installations under the Reheat Programme	Increase 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 3,000 fuel poor homes.	Energy Efficiency measures applied in an additional 5,343 fuel poor homes 667 homes grant assisted under the Home Energy Savings Scheme	Energy Efficiency measures applied in an additional 8,850 fuel poor homes 30,000 homes grant assisted under the Home Energy Savings Scheme
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	N/A	Ocean Energy Development Unit established; and prototype fund opened	Award six grants for the development of Ocean Energy
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	Power of One energy efficiency awareness programme	Energy efficiency awareness programme

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

A substantial amount of 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. 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 2007 Energy White Paper. The earlier section on Outputs shows achievements in 2007 and 2008, as well as targets for 2009.

Key indicators show progress despite significant volatility in energy markets in recent years e.g. the Single Electricity Market has been operational since November 2007 (enhancing security of supply and competitiveness); 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 (enhancing sustainability and security of supply); and the CER-ESB generation divestment strategy has been completed with ESB generation capacity reduced to 40% (enhancing competition in generation). 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:

- Government priorities in the energy efficiency area
- EU climate change Directives and targets

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 and this is provided in the Sustainable Energy Ireland Estimate as agreed

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 outside the control of the Department. 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 place.

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 energy efficiency targets
- Failure to meet EU targets on climate change

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

See material under Corporate heading

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

- **Option A:** Establish back office support operations for Sustainable Energy Ireland (SEI) programmes in Dundalk and a new headquarters for the agency in Dublin City centre (ideally with the office complex of EI/SFI/IDA/Forfás) where interagency teams staffed by officials from a variety of departments and other state agencies would work on the delivery of economic opportunities from new energy efficiency and renewables technologies.
- **Option B:** Introduce a system for the allocation of an overhead charge from capital budgets to cover the current costs for key SEI programmes. This should encourage a managerial rather than a bureaucratic culture within these new inter agency delivery teams.
- **Option C:** Continue to review and refine grant levels and technologies permissible under SEI schemes such as 'The Greener Homes Scheme' as they meet their objectives and the economies of scale in the growing energy industries are reached.
- **Option D:** Transfer the supervision and oversight of Coillte (and possibly Coford) to the Department of Communications, Energy and Natural Resources and investigate what synergies can evolve from the development of that company and Bord na Móna

Programme D (as at 1 above): [Natural 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 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 environmental, health and safety risk

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, as well as the possibilities for storing carbon underground
- The provision of geological 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. The Department's goal is to 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 of Communications, Energy and Natural Resources 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	80
o Other Public Servants			
o Ordnance Survey Ireland	323.25	316.6	313.6

Broken down by Subhead as follows:

	2008	2009
	Outturn / Output Achieved	Estimate / Output Target
Natural Resources Programme		
Subhead EI – Petroleum Services	Total - €0.631m	Total - €0.517m
- Current	€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
Petroleum Licenses Issued	Exploration Licences = 5 Licensing Options = 2 Petroleum Prospecting Licences = 4	Exploration Licences = 5 Licensing Options = 2 Petroleum Prospecting Licences = 5
Petroleum Licenses under active Regulation	Petroleum Leases = 3 Exploration Licences = 28 Licensing Options = 5 Petroleum Prospecting Licences = 10	Petroleum Leases = 3 Exploration Licences = 34 Licensing Options = 5 Petroleum Prospecting Licences = 11
Value of Production under License	Total Revenue to DCENR vote generated from petroleum exploration & production = €3.8m Royalties paid to Exchequer in respect of Kinsale Lease	Total Revenue to DCENR vote generated from petroleum exploration & production = €4m Royalties paid to Exchequer in respect of Kinsale Lease

	= €9.6m		= €4.4m
Subhead E2 - Mining Services	Total - €3,920m	Total - €7,558m	
- Current	€0.303m	€2.558m	
- Capital	€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 Complete study on remediation of old mines and submit to Government New Minerals Development Act Regulatory framework for geothermal energy	
Minerals Licenses Issued	Prospecting Licences issued or renewed = 128 State Mining Leases / Licences issued or renewed = 0	Prospecting Licences issued or renewed = 120 State Mining Leases / Licences issued or renewed = 3	
Minerals Licenses under active Regulation	Prospecting Licences held at end-year = 472 State Mining Leases / Licences held at end-year = 22	Prospecting Licences held at end-year = 500 State Mining Leases / Licences held at end-year = 25	
Value of Production under License	Revenue generated from Exploration / Mining activity = €6.5m Gross value of Mine Production in Ireland = €360m	Revenue generated from Exploration / Mining activity = €4m Gross value of Mine Production in Ireland = €260m	

	Exploration activity expenditure in Ireland = €14.47m (in 2007 – 2008 figures not yet available)	Exploration activity expenditure in Ireland = €8m
Subhead E3 – GSI Services	Total - €0.383m	Total - €0.585m
- Current	€0.383m	€0.585m
Outputs	13 commissioned projects managed in 2007	Complete three County Ground Water Protection Schemes and progress commissioned projects
Subhead E4 – Geoscience Initiatives	Total - €2.683m	Total - €1.228m
- Capital	€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 Griffithh 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 - €3.937m	Total - €3.392m
- Capital	€3.937m	€3.392m
Outputs	Mapping completed for Bantry,	Map two further priority bays

	Dunmanus, Galway, Sligo, Donegal and Tralee Bays	0.4% (500 km ²)
Percentage of final maritime area surveyed by INFOMAR	1.1% (1,382 km ²)	
Subhead E6 - Ordnance Survey Ireland (Grant-in-Aid)	Total - €5.970m	Total - €5.485m
- Current	€4.970m	€4.500m
- Capital	€1.000m	€0.985m
Outputs	7,500 large scale maps revised	Continue to maintain and develop mapping resources

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

- **INFOMAR Programme (E5)** is delivered through a Departmental funded joint venture between GSI and the Marine Institute with approximately equal staff resources and expenditure on both sides. Final products, principally a suite of integrated mapping products of the seabed and associated reports are delivered to customers via an online web delivery system. In addition the programme provides guidance and funding to research allied to the programme goals and acts as a knowledge centre for marine mapping for stakeholders including state agencies, other government departments, marine infrastructural projects and the EU

Ordnance Survey Ireland (OSi)

The Department exercises corporate governance oversight of the OSi such that it continues to develop its commercial remit, while meeting national interest objectives. The grant-in-aid is to cover the non-commercial part of the OSi remit

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

Petroleum Affairs/ Exploration and Mining

The earlier section on Outputs shows achievements in 2007 and 2008, as well as targets for 2009. A minimum critical mass of resources is required to continue Departmental activity in Petroleum Affairs/ Exploration and Mining. The administrative overhead associated with the programme is at a minimum

Geological Survey of Ireland (GSI)

- The programmes meet policy objectives including protection of environment; and facilitation of public and private investment in infrastructure
- The INFOMAR programme is meeting its policy objectives by providing vital baseline and interpreted data which can be used across a range of initiatives supporting marine development, protection and spatial planning, including the planning of offshore renewable energy. As a result the project is acknowledged at EU and international level as best practice. The alternate approach, as undertaken by the UK is for different government funded bodies to carry out separate and sometimes overlapping survey work to different standards and far greater cumulative cost. In 2008 a cost benefit analysis of INFOMAR indicated a net present value of €X

Petroleum Affairs/Exploration & Mining

An immediate discontinuation of the programmes is not an option as existing authorisation holders have a contract with the State and are legally entitled (and obliged) to carry out agreed work programmes. Discontinuing the programme by granting no new authorisations would result in a loss to Ireland of the inward investment associated with exploration activity and a loss of revenue from mining and petroleum production

Geological Survey of Ireland (GSI)

- Non delivery of planning tools, maps and data, necessary infrastructure and increased risk of failure of compliance with national legislation and EU Directives, ultimately resulting in a range of potential negative outcomes including fines, ground water pollution, non recognition of hazards such as mine waste and landslide susceptibility
- Cessation of the INFOMAR programme would preclude the gathering of valuable data and would likely result in the Irish government being fined by EU under Environmental legislation (Marine SACs and inadequate designation/protection of Natura 2000 sites), and potentially under Safety of Life at Sea (SOLAS) convention
- The Griffiths Research awards are contractually bound

Ordnance Survey Ireland (OSi)

The discontinuance of the grant-in-aid would have a detrimental impact on the operation of OSi in an environment of declining commercial revenues that could jeopardise the public interest in the provision of timely and accurate spatial data that is essential for the efficient delivery of services by many public and private sector organisations.

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

See material under Corporate heading

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:** Merge OSi with the Property Registration Authority (currently under the aegis of the Department of Justice, Equality and Law Reform) and the Valuation Office (currently under the aegis of the Department of Finance) to realise

Petroleum Affairs/Exploration & Mining

An immediate discontinuation of the programmes is not an option as existing authorisation holders have a contract with the State and are legally entitled (and obliged) to carry out agreed work programmes. Discontinuing the programme by granting no new authorisations would result in a loss to Ireland of the inward investment associated with exploration activity and a loss of revenue from mining and petroleum production

Geological Survey of Ireland (GSI)

- Non delivery of planning tools, maps and data, necessary infrastructure and increased risk of failure of compliance with national legislation and EU Directives, ultimately resulting in a range of potential negative outcomes including fines, ground water pollution, non recognition of hazards such as mine waste and landslide susceptibility
- Cessation of the INFOMAR programme would preclude the gathering of valuable data and would likely result in the Irish government being fined by EU under Environmental legislation (Marine SACs and inadequate designation/protection of Natura 2000 sites), and potentially under Safety of Life at Sea (SOLAS) convention
- The Griffiths Research awards are contractually bound

Ordnance Survey Ireland (OSi)

The discontinuance of the grant-in-aid would have a detrimental impact on the operation of OSi in an environment of declining commercial revenues that could jeopardise the public interest in the provision of timely and accurate spatial data that is essential for the efficient delivery of services by many public and private sector organisations.

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

See material under Corporate heading

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:*** Merge OSi with the Property Registration Authority (currently under the aegis of the Department of Justice, Equality and Law Reform) and the Valuation Office (currently under the aegis of the Department of Finance) to realise

synergies between the agencies by pooling expertise and sharing back-office services. A detailed analysis – involving this Department, the Department of Justice, Equality and Law Reform, and the Department of Finance – is required to specify exact savings and reporting structures.

- **Option B:** Review the Geological Survey of Ireland with a view to identifying cost savings and revenue generating opportunities that amount to 20% of its operating costs by 2011

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
- More streamlined, effective and accountable structures, management and legislation in place

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):** The Government Decision of November 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 € million	2009 Estimate € 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	13
o Other Public Servants			
o Central & Regional Fisheries Boards	440.5	426.22	421.29
o Lough's Agency		53	53

Broken down by Subhead as follows:

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	€3.377m
Outputs	New Salmon Management regime introduced Obligations met in compliance with Habitats Directive Fisheries Boards and Loughs Agency targets met	€2.8m allocated to Fisheries Boards to meet monitoring obligations under the Water Frameworks Directive National Management Plan for the Recovery of Eel Stocks finalised Fisheries Boards and Loughs Agency targets met	Deliver new structure for the management of the inland fisheries service and targets met Ensure legislative framework for the management of fish stocks is in place in time for 2010 season 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: A total of 1,332 Letters of Offer were issued by BIM in 2007 with 1,120 claims received in total. Payments were made in respect of 976 applications. €11.8 million was paid to BIM and the Loughs Agency in respect of these claims.	Salmon Hardship Scheme: €11.2m paid to BIM €0.297m paid to the Loughs Agency	Salmon Hardship Scheme: Issue payments per agreed schedule
	Terms and conditions of the Community Support Scheme agreed	Community Support Scheme: €1.1m distributed among 17	Community Support Scheme: Issue payments per agreed schedule

	with the Department of Community, Rural and Gaeltacht Affairs	LEADER companies	
Impact of Salmon Conservation measures	-	81,766	79,110
Total Allowable catch for the following year:			
Number of rivers meeting conservation limits and open for harvest for the following year:	56	45	45
Number of rivers protected and closed for harvest the following year:	76	82 (2008)	82
Fisheries Habitats Inspections	5,500	5,965	6,250
Patrol Man Hours	177,500	174,689	182,000
Pre-emptive infrastructure inspections	-	1,425	1,500

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):** The Government Decision of November 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 Ireland's 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
- 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 have 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 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)

As regards the Department see the Corporate heading

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, with the agreement of the Department of Finance, 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 on the fisheries boards travel and subsistence (2008 rates) from the abolition of the Regional Boards after restructuring is complete. The restructuring group has also identified three fisheries boards' management posts that will be surplus after the re-organisation.
- **Option B:** Increase fisheries boards target for own resource income to €10m per annum by 2012.

Programme F (as at 1 above): [Corporate Management]

High Level Goal advanced by this Programme

- To position the Department as a knowledge-based and results-oriented organisation, operating to the highest public service values and standards of service delivery.

Impact indicator (target used to measure the contribution of this Programme to achieving the High Level Goal)

- Effectiveness of HR strategy and procedures, including compliance with PMDS cycle, recruitment practices and procedures, disability services and support for decentralisation
- A cost effective ICT service that supports and encourages productivity and efficiency in the Department
- The operation and satisfactory delivery of the Department's financial management system
- Delivery of a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and the governance process

Programme Rationale and Prioritisation

To support the Department's line divisions in achieving the sectoral objectives as set out in the Statement of Strategy.

Inputs

Corporate Management Programme	2007 € million	2008 Outturn € million	2009 Estimate € million
Programme Expenditure:			
- Current	0.010	-	0.002
- Capital	-	-	0.500
Administration and Other Support			
- Pay	8.104	6.850	6.933
- Non-Pay	11.121	8.127	9.322
TOTAL GROSS PROGRAMME EXPENDITURE	19.235	14.978	17.328
Public service numbers for Programme (Whole Time Equivalents):	2007 WTE	2008 WTE	2009 WTE
- Civil Servants	135	119	119
- Other Public Servants	-	-	-

Broken down by Subhead as follows:

Corporate Management Programme	2007 € million	2008 Outturn € million	2009 Estimate € million
Subhead – A1	8.104	6.850	6.933
Subheads – A2 to A9 inclusive	11.121	8.127	9.893
Subhead – G4 : Current Capital	0.010 -	- -	0.002 0.500

Delivery Mechanism

Corporate management is delivered by 5 units within the Department: Human Resources, Information Technology, Finance, Internal Audit and Corporate Services.

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 expenditure successfully delivers key corporate support functions that support the Department's delivery of policy and programme outputs.

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 overall Department has reduced in size by about 25% since early 2007 (due in part to the transfer of marine functions to the Department of Agriculture and Food) and this reduction has been reflected in falls in the number of staff providing back-office services to the Department, particularly in IT where civil servants employed in the area have fallen by two-thirds. The reduction in size also reflects a strategic initiative to achieve savings by reducing staff numbers. This initiative has reached its practical limit.

Outline the likely consequences if this Programme were discontinued entirely?

The overall number of staff in the Department (296 at the end of January 2009) means that some of these functions are run for a relatively small number of customers by Government Department norms. Nevertheless the Department needs to provide basic cover and a certain critical mass of support services.

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

A number of Departments are examining the possibility of providing such services on a shared basis. As a small Department, there may be savings available by outsourcing some of this work.

Recommendation

Reach agreement with another Department or Departments on the provision of a number of shared services. Achieving these savings (which could amount to 3%-5% of Departmental staff) is entirely dependent on the Department's capacity to transfer surplus staff in the Corporate Services areas the bulk of who work in one regional location to other Government Departments in the same regional location. DCENR would have to be satisfied that the quality of service does not suffer and in particular that controls and accountability in relation to Vote expenditure are fully protected.

Appendix 1

	2008 Outturn €000
Sustainable Energy (Subhead D2)	
Building Energy Rating/ EPBD	2,000
Low Income Housing	5,780
Warmer Homes Scheme	0
Public & Commercial Sector	1,000
Energy in Business / EEAP	4,000
Greener Homes Scheme	22,500
Reheat Deployment	4,000
CHP Deployment (fossil & biomass)	2,050
Insulation Programme	1,400
Home Energy Savings Scheme	0
Industry & Business	0
Renewable Energy Information Office	650
SEZ	600
Public Sector Energy Efficiency Target Support	0
Low Carbon Commercial Buildings	0
	43,980
Energy Research (Subhead D3)	
House of Tomorrow R&D	8,670
Renewable Energy RD&D	2,250
Low Carbon Homes	0
Ocean Energy Development Unit	1,000
Energy Policy and Statistical Support/Modelling	625
Smartmetering Programme	600
Energy Policy	0
Microgeneration	200
Intergration of RE Technologies & fuel in transport R&D	0
INTERREG	0
Mapping of Irelands Resources	0
Grid Infrastructure R&D	0
Total	13,345

Pat Smyth

From: Brian Carroll .T- Corporate Finance
Sent: 15 June 2009 10:49
To: Pat Smyth
Subject: FW: Draft letter to Colm McCarthy, SGPSN&EP
Attachments: Special Group on Public Service Nos and Expenditure Programmes 150609.pdf

For filing

From: Brendan O'Reilly
Sent: 15 June 2009 10:33
To: Eamonn Molloy; Brian Carroll .T- Corporate Finance
Cc: Suzanne Duke; Morgan Bazilian
Subject: RE: Draft letter to Colm McCarthy, SGPSN&EP

Hi

Please find attached a copy of the signed letter to Colm McCarthy, SGPSN&EP.

The Minister made a slight change to the final page of the note, which now has the subtitle: "A Smart Grid for ICT and Energy Efficiency". The Minister also inserted a reference to electric vehicles and smart meters in that paragraph.

Regards

Brendan O'Reilly
Minister's Office
Tel: 01 678 2014

From: Susan Lowen
Sent: 10 June 2009 11:04
To: Colm Ó Conaill
Cc: Eamonn Molloy; Brian Carroll .T- Corporate Finance; Suzanne Duke; Morgan Bazilian
Subject: Draft letter to Colm McCarthy, SGPSN&EP
Importance: High

Colm,

Please find attached a draft letter for the Minister to Colm McCarthy, Chairperson of the Special Group on Public Service Numbers and Expenditure Programmes. The draft has been approved by the Secretary General who requested the draft be submitted to the Minister as soon as possible please.

It is advised that the letter issue as soon as possible to allow for consideration by the Special Group, ahead of finalising it's recommendations in relation to this Department. It is understood that they are nearing completion of this work.

I would appreciate if you could bring this to the Minister's attention at the earliest opportunity please.

Regards,
Susan

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Department of Communications, Energy and Natural Resources
Roinn Cumarsáide, Fuinnimh agus Acmhainní Nádirtha

29-31 Adelaide Road
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Office of the Minister
Oifig an Aire

29-31 Bóthar Adelaide
Baile Átha Cliath 2

15 June 2009

Mr Colm McCarthy
Chairperson
Special Group on Public Service Numbers and Expenditure Programmes
Department of Finance
Upper Merrion Street
Dublin 2

Dear Mr McCarthy,

In the context of my Department's meeting with the Special Group on 8 April last about which I have been briefed by my officials, I want to address a number of issues raised at the meeting. I also wish to emphasise some key cross-Government policy proposals that I believe will enhance service delivery while simultaneously achieving savings by improving operational efficiency and effectiveness. I also wish to set out a summary of the innovative measures to be included in the forthcoming Department of Communications, Energy and Natural Resources publication on the Knowledge Society and the details are set out in the attached paper. I hope that you will give these full consideration before the Group arrives at their recommendations in respect of my Department.

Yours sincerely,

Eamon Ryan T.D.
Minister for Communications, Energy & Natural Resources

cc: Mr. David Moloney, Assistant Secretary, Department of Finance
Mr. John Palmer, Secretary to the Group

**Note for Special Group on Public Service Numbers and Expenditure
Programmes – Department of Communications, Energy & Natural Resources**

POLICY FRAMEWORK

The Department of Communications, Energy and Natural Resources (DCENR) has a pivotal role to play in the delivery of sustainable economic growth and specifically in relation to implementation of the Government's recent policy document "Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal". High quality and sustainable energy and telecommunications infrastructure are fundamental to the attainment of the objectives in this policy paper and more generally sustainable economic growth and social development. Optimally functioning markets in these areas are also key to competitiveness and sustainable growth. The policies and programmes of DCENR are critical in this regard. Against this background it is the view of the Minister that the comparatively small, in money terms, programme and human resources budget of DCENR must be protected and indeed augmented.

HR Issues (Department Specific and Cross-Government)

It is understood that the Group will produce proposed revised authorised numbers in respect of each Department. It should be noted that in the case of DCENR total numbers employed have been reduced by about 50 or 14% since November 2007. Whilst some of this was due to a divestment of functions to the Department of Agriculture, Fisheries and Food, much of it arose from a conscious policy to reduce numbers. The Department is now below its current authorised level. It would strongly argue that its authorised numbers should not be reduced any further in the light of the progress made over the recent years. In fact, in view of its central role in promoting sustainable economic development and the diverse functions it must discharge the Minister is strongly of the view that the authorised numbers should be increased in a targeted and agreed way. The position is exacerbated by the rigidity in the system arising from the fact that out of 232.64 administrative staff, 51.4 are based in Cavan and are not available for redeployment within the Department. The position will be further aggravated arising from the implementation of the various measures in the Supplementary Budget.

The Minister fully accepts the imperative of a global reduction in public service numbers. This should be done on the basis of deploying resources to priority areas which are key to delivery of economic recovery, notably, in the areas with the greatest future economic potential. Energy, telecommunications and broadcasting are key areas in this regard. In the view of the Minister it is imperative that appropriate and robust redeployment arrangements are put in place to ensure that resources are allocated to priority areas.

To assist the Group in its difficult deliberations in this area the Minister would put forward the following proposals for consideration.

Prioritise filling of Mission Critical Technical Posts

Maintaining specialist technical services requires a minimum level of experienced specialist technical staff. The requirement to continue to operate specialist technical services should be prioritised.

Lateral Mobility Policies to Enhance Staff Mobility

It is important that managers, especially senior managers in the public service have as broad a range of experience as possible and also that Departments have access to an up-to-date mix of business and technical skills. The public service should be enabled to operate lateral mobility schemes, including with commercial State bodies and the independent regulatory agencies, as well as the private sector for middle and senior management positions across both the technical and general service streams. For example, a regular programme of six month exchange at Administrative Officer/Higher Executive Officer equivalent and up to one year at Assistant Principal equivalent would benefit both the Department and commercial State bodies/independent regulatory agencies. In addition, there could be scope for seconding staff into the Department on a project specific basis (e.g. the common arrangements for gas, the transfer of transmission assets, etc.). This would give the Department access to specialised expertise and reduce the requirement for engaging external consultants.

Internship programme in the civil and public service for recent graduates

There is a danger that low intake levels combined with low staff mobility within the public service has and will continue to give rise to skill deficits at junior and middle management levels. To offset this, a special internship programme should be considered for graduate and post-graduate degree holders in key disciplines – engineering, sciences, legal, economics, accountancy and financial services.

In addition, a **stagiaire programme** should be considered as a means of recruiting technical and specialised graduates onto key projects on a shorter term basis, particularly at a time of rising unemployment amongst college leavers.

It is the view of the Minister that a time-limited Intern/Stagiaire Programme could be targeted at key Departments for relatively low cost but with significant skills and capacity gains.

Centralise consultancy support for specialised commercial procurements in Departments

Procurement and implementation of specialised commercial services such as telecommunications and broadband services requires complex and highly demanding procurement operations. Often, the only way in which this can be done is through extensive use of consultancy and this is very expensive and raises its own challenges and risks. Government Departments should have the possibility of calling on dedicated centralised support arrangements for such procurements.

Mandate Across-the Board Sharing of Back Office Services

Currently most Departments operate a full-range of back office services and support facilities on an independent basis. This can lead to inefficiencies. Departments should be encouraged to share back-office services and support services in accordance with business needs and the ability to re-deploy staff operating in regional centres in the same locations with other Departments. In this regard, the Minister is very supportive of the initiative currently underway with respect to payroll. This initiative should be

extended to cover all back office services. To be meaningful, these arrangements will need to be planned and organised on a national basis across all Departments.

PROGRAMME ISSUES

The following comments relate to key issues raised at the meeting between the Department and the Group.

Sustainable Energy Ireland (SEI) Schemes

The Minister would strongly assert that energy efficiency programmes should operate in tandem with any carbon tax. Targeted energy efficiency measures can significantly impact on household/business energy usage at relatively small cost to the Exchequer. The Home Energy Savings Scheme introduced earlier this year is an example of this. In addition, it should be borne in mind that energy efficiency programmes/schemes have several primary objectives including, but not exclusively, carbon abatement. They are aimed at achieving a range of energy/economic and social policy desired objectives by addressing multiple market failures and providing counter cyclical employment/economic activity benefits. The International Energy Agency, the European Union and the Department's own analysis all point to the key contribution of energy efficiency to addressing security of energy supply, sustainability, competitiveness and energy affordability. This is in addition to its carbon abatement potential. While energy prices (globally as well as in Ireland) provide strong incentives for efficiency actions by business and consumers, international/EU experience, as well as our own, points to the need for programmatic intervention/incentivisation as well as information transfer. In terms of overall societal economic impact, energy savings contribute considerably more to societal net present value benefits than carbon savings. In addition there are valuable positive employment effects.

Competition in the Electricity Market

Since 2006 significant changes have taken place in the energy landscape on the island of Ireland. The publication of the Government's Energy Policy Framework 2007 - 2020 gave policy certainty and set clear directions. The establishment of the Single Electricity Market (SEM) in November 2007 was a further critical milestone. The competitive dynamic in the Irish electricity market has changed as a consequence and the development of a fully competitive electricity market is tangibly in progress. The SEM has established an all-island wholesale pool market, setting the wholesale price in a newly transparent competitive manner. The pool is designed to ensure that the lowest cost generation is utilised to meet customer demand.

On generation, the successful negotiation/conclusion of the Commission for Energy Regulation (CER)/Electricity Supply Board (ESB) Asset Divestment Strategy has seen the disposal by the ESB of 1,500 MW of plant and sites to Endesa, a global utility which introduces a major international player into the market. Endesa has signalled intent to re-power Tarbert and Great Island. Also, the acquisition by Scottish and Southern Energy (SSE), a significant UK utility, of Airtricity in 2008 introduces another major and active generation and supply player to the market. In addition, Viridian/Energia operates two Combined Cycle Gas Turbine (CCGT) plants at Huntstown and is actively pursuing renewable opportunities. Bord Gáis is completing build of a 440 MW CCGT plant at Whitegate which will be commissioned in 2010

Classification Office (IFCO) - given that very similar functions are carried out regarding assessing of audiovisual content. This could also achieve greater economies of scale in administrative costs and/or reduce overlap. Both offices have officials employed in content regulation. If content regulatory functions were amalgamated, it could be possible to free up some of the BCI staff to carry out the new and additional functions of the newly formed BAI, which will come into existence on the enactment of the Broadcasting Bill. A broader review of content regulation could consider whether the functions of other state organisations with a content regulation aspect could appropriately be included within the organisational structure of the BAI.

Structure and Funding of Broadcasting

The Minister would stress that any proposals in relation to funding of broadcasting must take account of the public service broadcasting remit of RTE and TG4. RTE are currently facing a very serious financial situation to which they have responded by introducing a range of cost-cutting and efficiency measures. The Minister would also stress that a more robust performance based system is being put in place to ensure RTE's performance in the context of the annual review of the licence fee.

The Department is proposing to undertake a fundamental review of the structures and funding mechanisms underpinning Irish public service broadcasting. A number of significant changes are set to take place in the coming years that warrant such a review. Broadcasters are expected to move entirely to competitive multi-channel digital platforms by 2012 in the context of analogue switch-off and, on an ever-increasing basis, content is expected to be consumed on-line in a 'non-linear' fashion. Such changes, coupled with a blurring between the television set and the personal computer, raise questions as to the suitability of the current TV licence collection model as the primary source of independent funding for public service broadcasting. Within the context of a sector where revenues are predominately generated through subscriptions (cable and satellite) and advertising, a review of the structures and funding mechanisms can consider the public funding needs of RTE, TG4 and public service broadcasting generally. It is expected that the Department will commence planning of this review upon establishment of the BAI.

Spectrum

The radio spectrum is a unique natural resource, the rights of use to which are assigned by ComReg, to support a wide range of services and applications in telecommunications, broadcasting, emergency services, national and public security, research and development, scientific services and leisure uses. Spectrum is a key enabler in economic development, whether in promoting innovation in the ICT sector or in the provision of enhanced mobile telephony services or wireless broadband.

Ireland's geographic location on the western edge of Europe and low population density provide a key natural advantage in promoting innovation and development of new applications and services for consumers. This natural advantage, when taken together with the rapid evolution of wireless technology, provides Ireland with an excellent opportunity to attract global leaders to choose this country as a test-bed for new product or service concepts.

Assignment of spectrum is done by way of licences for specific applications or general authorisations. The design of assignment mechanisms, such as an auction, is determined by the particular circumstances prevailing in the sector and the particular markets at a given time. The objectives of spectrum assignment are to ensure a fair return to the State for the use of this resource; ensure that competition and innovation are promoted; and to protect public service interests. Operators in this field range from large-scale to small-scale, and from existing to new entrants. The assignment of spectrum thus requires a balanced approach that recognises these objectives and the various types of players.

The Knowledge Society

In support of the key role which DCENR plays in funding sustainable economic activity the Minister would refer to The Knowledge Society Strategy Report: *Enabling Technology and Actions to Support the Smart Economy* which will be published shortly by his Department. The report contains a number of very innovative actions which should lead to significant job creation as follows:

Establishment of an Exemplar Smart Communications Network: Ireland is leading the world in a technological breakthrough which simplifies the manner in which high quality images (e.g. interactive video) are transmitted. The technology uses specific colours (tunable lasers) to transfer images and data. The simplification of the system reduces the energy use by approximately 75% over current technology. It can plug into existing fibre and so can be implemented without disruption to the existing communications system. The technology has been developed by an Irish company, Intune Networks, which employs 92 researchers based in Dublin and Belfast. Intune has strong links with university-based research groups such as the Tyndall Institute. Full patents have been granted to protect the technology.

The planned network would be the first in the world dynamic optical communications network and would attract international attention to Ireland. It will provide a unique test-bed facility for telecommunications and related companies to test and develop their new products.

When Ireland invested in Global Crossing, the transatlantic communications connection, second generation ICT companies (Google, Facebook, etc) were attracted to Ireland. Similarly this development will allow these companies further develop their products and will attract a wide range of new applications. It will directly support foreign direct investment and indigenous development. Currently the Internet is struggling to cope with the growing demands for video streaming, mobile television, interactive video and other such applications.

It is planned that the Exemplar Network will be established in 2010. This development is at the centre of the most rapidly growing section of the Internet, and it is conservatively estimated that it will generate in the range of 5000 new high skilled jobs based on the smart network system over 5-10 years.

Establishment of an International Digital Content Centre in Dublin: This action is at an earlier stage than the smart communications network but is directly related to it. The concept is being developed together with the Digital Media Forum (a group of

500 SMEs). The main objective of the initiative is provide a solution to the problem of piracy of digital content and provide a state-of-the-art facility to trade and distribute digital content. This is a convergence of technology-law-arts and the model is based on the International Financial Services Centre. Ireland is suited to this development as many of the main potential clients already exist here (i.e. distributors) and we are also strong in the development of digital content (e.g. games, eLearning tools, video and film). Jobs will be created in the distribution and content developers. The centre will have a strong legal base which could support a digital legal subsection, and would directly support the development of the existing 5000 or so (generally 1-10 person) companies. The development is strongly supported by the technology sector. Job potential is in the range of 3000 new jobs over 5-10 years.

Ireland as a location for energy efficient data and cloud computing centres: This action is essential to establish Ireland as a smart economy. Ireland already has a wide range of data centres in the country and IBM has established its EU cloud computing centre here. Similarly Microsoft will open its state-of-the-art data centre in Dublin this September. Data centres, while not of themselves big employers, support skilled applications associated with the centres. International and European headquarters are generally supported by data centres. The company EMC in Cork employs 1,700 people around their data centre. This would be typical of European/international headquarters. A series of actions are being developed to create an enabling environment for the development of such centres. The direct number of jobs is small but associated jobs are likely to be in the order of 5,000-10,000 in a 5-10 year period.

A Smart Grid for ICT and Energy Efficiency: A central theme of the report is that for Ireland a smart economy is a low carbon economy. The range of proposed actions includes the implementation of a smart electricity grid and network; smart products for energy efficiency in transport (electric vehicles) and in buildings (smart meters); low energy communication networks and data centres; and real-time eco-monitoring (another area where Ireland is showing technological leadership). The job creation potential in the energy efficiency/green energy sectors is very high. The development agencies and others forecast that this will become a dominant employment sector.

The implementation of the proposals outlined will establish Ireland as a leader rather than a follower in key areas which will directly support us as a smart economy.

Natural Resources

The Minister wishes to reiterate his proposal that the supervision and oversight of Coillte and Coford be transferred to the Department of Communications, Energy and Natural Resources to exploit the synergies that can evolve from the development of these organisations alongside Bord na Móna. In addition, the Minister is of the view that the Inland Fisheries function should be transferred to the Department of the Environment, Heritage and Local Government where there is considerable scope for synergies with the National Parks and Wildlife Service in terms of conservation of habitats and species in Ireland.