



**Oifig an Ard-Rúnaí, An Roinn Gnóthaí Fostaíochta agus Coimirce Sóisialaí**  
Office of the Secretary General, Department of Employment Affairs and Social Protection

Ms Éilis Fallon,  
Committee Secretariat,  
Committee of Public Accounts

29 October 2019

Ref: PAC32-I-1626

Dear Éilis,

I refer to your letter of 17 October in which you requested an information note on grants paid to travel operators in respect of free travel.

I enclose a note as requested.

If I can be of any further assistance, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'John McKeon', is positioned above the printed name.

John McKeon

Secretary General

Department of Employment Affairs & Social Protection

## **Note on payments to Free Travel Operators.**

### **Background**

The free travel scheme provides free travel for those with eligibility on the main public and private transport services which includes road, rail and ferry services provided by companies such as Bus Átha Cliath, Bus Éireann, Iarnród Éireann, Luas and services provided by over 80 private transport operators. As of September 2019, there are 958,697 people in Ireland in receipt of free travel at an annual cost of €95 million.

The free travel scheme is available to all people aged over 66 living permanently in the State. Applicants who are under age 66 must be in receipt of a qualifying payment in order to qualify for the scheme. The qualifying payments for those aged under 66 are: invalidity pension, blind pension, disability allowance, carer's allowance or an equivalent social security payment from a country covered by EU Regulations or one with which Ireland has a Bilateral Social Security Agreement. Free travel is provided for people in receipt of carer's allowance to facilitate their caring role and support their social inclusion.

Allocation of funding for the free travel scheme is dependent on a number of factors, including the number of people in receipt of qualifying benefits, the number of participating companies, routes and fare levels.

Expenditure in 2018 was apportioned with approximately €51.53 million paid to the CIÉ group in respect of free travel on Irish Rail, Bus Éireann and Dublin Bus; approximately €17.65 million paid in respect of service provided by Bus Eireann Expressway; €10.76 million to the private Operators; € 3.91 million to Luas and €1.5 million for the Rural Transport Programme. The remainder was allocated for the cross-border and All-Ireland travel schemes.

### **Funding of CIE Group**

DEASP makes a block payment to the CIE Group in respect of transport services provided nationwide by the Group. The amount of this grant is based on budget availability and is

reviewed each year as part of the annual budget process. The apportionment of the payment between the three constituent companies in the CIE Group, Bus Éireann, Bus Átha Cliath and Iarnród Éireann is a matter for the CIE Group itself to determine with the exception that a specific amount that is earmarked, as indicated in the data above, for the Bus Eireann Expressway service.

### **Funding of Other Operators**

Currently there are 80 private travel operators countrywide, which include 20 ferry services. Funding of these operators is determined by way of surveys to determine their passenger numbers at a given point in time.

In addition to the surveys, the Department carries out periodic inspections of private operators within the free travel scheme. These inspections are a means of monitoring the scheme to ensure compliance with the Department's requirements (such as adherence to the times and services as outlined in the Annual Passenger Licence for the route under survey) and to confirm information already held in relation to operators, routes and schedules. If an operator is found, in the course of an inspection, not to be complying fully with the terms of their agreement, the matter is referred to the National Transport Authority, which is the licensing authority.

### **Potential Future Funding Model**

Full implementation by the National Transport Authority (NTA) of an Integrated Ticketing System (ITS) together with the integration of the Free Travel Pass (as part of the PSC) will provide an opportunity to negotiate future funding, based on usage taken rather than via a block grant or surveys.

This is a matter that will be considered further once ITS coverage expands to cover a greater proportion of operators and routes.