

Short presentation to Joint Oireachtas Committee on Arts, Heritage, Regional, Rural and Gaeltacht Affairs – 2nd February 2017

Mr. Ray Hernan, Acting CEO, Bus Éireann

I want to thank the Chairman and the Members of the Committee for today's invitation to discuss the topic of rural-based public transport and rural connectivity, and the key role that Bus Éireann plays in providing those services.

Bus Éireann is committed to providing a range of public transport services outside Dublin in close partnership with our stakeholders. We have been proudly serving communities throughout Ireland since 1987 and I am pleased to inform the committee that tomorrow, 2nd of February, actually marks the 30th anniversary of our service.

Having grown up in a small rural village in Galway, I am personally very aware of the critical role that public transport must play in such communities. Ireland is a small country with a low population density that is very geographically dispersed; public transport solutions need to reflect the way we choose to live. The fundamental principles of our approach to delivering public transport is to deliver social and economic inclusion, and balanced regional development, working in partnership with our public transport stakeholders and working with the local communities.

As a company working every day in rural and urban communities, Bus Éireann provides direct employment to 2,600 employees throughout the country in relation to its network of drivers, stations and depot facilities. In addition to this, Bus Éireann works closely with its base of suppliers throughout the country. We contract in over €110m from small locally-based private transport service providers, making Bus Éireann the largest customer of the indigenous private sector in Ireland. The school transport scheme is a very good example

of rural mobility and rural modal shift providing sustainable employment in both an urban and rural setting.

At Bus Éireann, we believe that there are some basic building blocks that are fundamental to the integrated backbone network of services that we provide. It is the national network of services provided within available funding and resources that makes mobility possible for all our rural or urban based passengers. The partnership approach that we have with private operators is essential in the delivery of our transport solutions. Equally, the journeys that these operators undertake on both schools transport and scheduled services give them a base from which to provide other community transport services in rural settings outside schools hours. This is a successful and sustainable approach to rural and community-based employment and is a model of excellent Public-Private Partnership.

Within our Road passenger network, we have over 1.2 million different origin and destination combinations, and over 10,000 bus stops in both urban and rural settings. We provide city services in Cork, Limerick, Galway and Waterford, and we also provide town services in Sligo, Athlone, Dundalk, Navan and Balbriggan. We provide commuter services that link practically every town in Ireland, and this is particularly important in locations where there is no rail link. Our passenger growth was over 6% last year, having carried over 39 million journeys on top of 40 million school journeys.

With the assistance of increased funding from the NTA, new higher frequency services have been added last year into Limerick, Galway and Cork cities and suburbs, which together with new higher capacity fleet, has helped to deliver growth of almost 9% passenger growth across these provincial cities, helping the re-generation of these local economies. We are also extremely proud of our enhanced services on the M3 corridor in particular locations such as Delvin, Athboy, Trim, Batterstown, and Dunshaughlin - all of which now give greater access to local educational, employment and health facilities within the wider region.

In relation to rural public transport connectivity, we have analysed best practice rural mobility solutions for regions with similar population dispersions, including Norway, Finland and rural areas of Flanders in Belgium. All successful solutions are based on layered networks of public transport services, where the regularly-scheduled passenger transport services such as those provided by Bus Éireann are interlinked with the more semi-scheduled or demand responsive services as those provided by Rural Link, other rural bus enterprises, taxi service providers and private car owners. When these services are integrated efficiently and effectively, you get real local, regional and interregional connectivity for rural communities.

In appreciating the value of connectivity, Bus Éireann would be supportive of a proposal to facilitate a “town hub and spoke” approach where Local Link would interchange into the backbone network provided by Bus Éireann. This would make best use of the NTA investment in Bus Éireann services in recent years, and would be focused on increasing efficiency and effectiveness in the overall public transport offering outside Dublin. Such an initiative would require state investment beyond “steady state” in relation to accessible fleet, bus stops, bus shelters and station facilities where appropriate, and in relation to customer facing technology and service back up.

Building on the steady growth of public transport usage that has occurred over the last 2-3 years outside the Dublin Metropolitan Area, Bus Éireann would be very supportive of any initiative that increased public transport usage for towns across Ireland. In total, almost 200 new or enhanced services were introduced last year including the significantly improved services launched earlier this week in Athlone town, which has been funded by the NTA. All these will help drive real modal shift and I know more of these initiatives are planned. Approval and funding for a full schedule of enhanced services has been submitted to the NTA for 2017. These will be delivered despite the current financial crisis facing Bus Éireann at this time.

On this subject, I advised staff last week that the scale of our 2016 losses are forecasted to be in the range of c€8-9m. With the resultant depletion of our

reserves, this has put the business at risk of becoming insolvent before the end of the year.

I am extremely disappointed that the trade unions have refused our invitation to meet to discuss measures which I believe must be taken. Their failure to engage leaves management with no other option but to proceed with the necessary changes to safeguard Bus Éireann -- in the best interests of our customers, staff, and stakeholders.

To facilitate meaningful engagement between staff representatives and the company, management is not proposing to implement any measures outlined in my January 18th letter, until February 20th. I would like to use this opportunity to once again urge unions to accept our invitation and begin talks urgently. Implementation of measures from February 20th is critical to safeguarding the maximum number of viable jobs and avoiding the risk of insolvency. Not to do so would be reckless and irresponsible.

Finally, I would like to re-emphasise to the Committee that Bus Éireann remains committed to providing a network of inter-regional services connecting communities to the main population centres - and this also applies to our Expressway commercial services. Having an efficient and flexible organisation will enable Bus Éireann to provide more services, not less, for the same level of subvention. In doing so, we will provide a service that is value for money for our customers and taxpayers. It will be appreciated by the Members here today that we do not receive any public subsidy for providing these inter-regional and inter-city services; Bus Éireann can no longer carry financial losses on an ongoing basis, and difficult decisions will have to be made in 2017 to ensure that Bus Éireann survives.

I want to assure the Committee that despite potential changes to some of our Expressway network, we will work closely with the NTA to ensure that connectivity is maintained. I also want to assure the public that we will do everything to ensure no passenger is discommoded.

In summary, Bus Éireann is steadfastly committed to providing a quality, efficient, safe and sustainable public transport service that meets and exceeds

the expectation of all communities outside Dublin. While we have arrived at a critical juncture in our finances, I firmly believe that the solution to our challenge lies within the company. I am confident that Bus Éireann will continue to play a central role in public transport, will continue to provide more services, and will remain a key part of the fabric of rural Ireland, its regional cities and all the towns and villages in between.

Thank you Chairman and members of the committee.