Tithe an Oireachtais
Houses of the Oireachtas

An Coiste um Chuntais Phoiblí

Scrúdú ar Cuntais Leithreasa 2019 agus 2020 i gcomhair Vóta 31 – Iompar; Ráitis Airgeadais an Údaráis Náisiúnta Iompair do 2020; agus Ráitis Airgeadais Bonneagair Iompair Éireann do 2020

Iúil 2023

Committee of Public Accounts

Examination of the 2019 and 2020 Appropriation Accounts for Vote 31 – Transport, the 2020 Financial Statements for the National Transport Authority, and the 2020 Financial Statements for Transport Infrastructure Ireland

July 2023

33/CPA/017

Contents

Introduction to the report

The purpose of this report is to identify the key issues arising from the Committee's engagements with the Department of Transport (the Department), the National Transport Authority (NTA), and Transport Infrastructure Ireland (TII), and to make corresponding recommendations to those three bodies.

The following section analyses the relevant appropriation accounts of the Department, and the financial statements of the NTA and TII, identifies trends, and highlights issues arising that will be elaborated on in the latter part of this report.

Department of Transport

Meeting Dates:

- **27 May 2021**
- **11 November 2021**

Matters for Examination:

- **Appropriation Account 2019**
  - **Vote 31 – Transport, Tourism and Sport**
- **Appropriation Account 2020**
  - **Vote 31 – Transport**
- **The Comptroller and Auditor General's Report on the Accounts of the Public Services 2020**
  - **Chapter 5 – Expenditure on night vision imaging technology and training for search and rescue**
- **The Comptroller and Auditor General's Special Report 113 – Procurement of vehicles by the Irish Coast Guard**

Appropriation Account 2019

Total gross expenditure for Vote 31 – Transport, Tourism and Sport in 2019 amounted to €2.3 billion. Appropriations-in-aid[1] for 2019 totalled €25.8 million, resulting in net expenditure of €2.28 billion. The amount surrendered to the Exchequer at the end of the year was €21.2 million.

The below table outlines the outturn in relation to the estimate provision for the five programmes that comprised Vote 31 in 2019.

Graphic 1: Analysis of programme expenditure within Vote 31 in 2019

Programme	Title	2019 Estimate Provision (EP)	2019 Outturn	2019 Outturn as a % of EP
A	Civil aviation	€37.7 million	**€34.8 million**	92.3%
B	Land transport	€1.91 billion	**€1.9 billion**	99.5%
C	Maritime transport and safety	€106.1 million	**€96.3 million**	90.8%
D	Sports and recreation services	€131.5 million	**€106 million**	80.6%
E	Tourism services	€180.3 million	**€158.2 million**	87.7%

It is clear from the above table that expenditure on each programme fell short of the estimate provision in each case. While the main focus of this report is on Transport, the Committee notes that expenditure on *Programme D – Sports and recreation services* fell short of the estimate provision by almost a fifth. Expenditure on *Programme B – Land transport* accounted for approximately 83% of gross expenditure for the Vote in 2019, by far the most significant programme.

[1] Under Section 2 of the Public Accounts and Charges Act, 1891, certain receipts arising in the normal course of a Department's or Office's ordinary Vote business may be retained by that Department or Office to meet expenditure instead of being paid directly into the Exchequer. These receipts are known as appropriations-in-aid.

Gross expenditure for the Vote rose from €2.06 billion in 2018 to €2.3 billion in 2019. Expenditure rose in each programme, except for *Programme D,* from 2018. The most significant rise in expenditure across the programmes was seen in *Programme B*, which rose from €1.7 billion in 2018 to €1.9 billion in 2019. The biggest rise proportionally was seen in *Programme A – Civil aviation*, which rose by almost a quarter from 2018 to 2019.

The C&AG issued a clear audit opinion for the Department's 2019 Appropriation Account.

Appropriation Account 2020

Following the formation of the current Government in 2020, responsibility for programmes related to Sports and recreation services, and Tourism services was transferred from Vote 31 to Vote 33.

Despite the transfer of two programmes, gross expenditure for Vote 31 – Transport increased by approximately 16% in 2020, amounting to €2.68 billion. This is largely as a result of expenditure increasing by over a third for *Programme B – Land transport*, which accounted for over 95% of the total gross expenditure for the Vote in 2020.

Appropriations-in-aid for 2019 totalled €17.8 million, resulting in net expenditure of €2.66 billion. The amount surrendered to the Exchequer at the end of the year was €234.4 million.

However, as shown in the table below, expenditure fell below the estimate provision for all programmes in 2020 (as was the case in 2019).

Graphic 2: Analysis of programme expenditure within Vote 31 in 2020

Programme	Title	2020 Estimate Provision (EP)	2020 Outturn	2020 Outturn as a % of EP
Programme A	Civil aviation	€54.3 million	**€28.35 million**	52%
Programme B	Land transport	€2.89 billion	**€2.55 billion**	88%

Programme C	Maritime transport and safety	€121.9 million	**€96.8 million**	79%

A significant part of the shortfall in spending for each programme was attributed to underspends of COVID-19 emergency funding, and other disruptions or restrictions caused by the COVID-19 pandemic.

The C&AG issued a clear audit opinion for the Department's 2020 Appropriation Account.

The C&AG's Report on the Accounts of the Public Services 2020

Chapter 5: Expenditure on night vision imaging technology and training for search and rescue[2]

The chapter examines the Department's expenditure on night vision technology, and training for same, for the Irish Coast Guard. The chapter references a 2010 report in which it was recommended that:

- Search and Rescue (SAR) helicopters should be fitted with a 'night vision imaging system' (NVIS), and
- Night vision goggles and crew training should be provided when funding was available.

The chapter refers to a contract signed with the service provider in 2012 to supply and operate SAR services from four bases in Ireland, in which it was specified that the Department would pay €4.3 million to modify the SAR fleet for compatibility with NVIS. The Department paid the agreed amount, and modifications to the fleet commenced in 2013, and were completed in 2015.

24 sets of night vision goggles were purchased at a cost of €527,000 in November 2015. The chapter notes that the cost of such training had been estimated in 2009 at

[2] **C&AG Report on the Accounts of the Public Services 2020: Chapter 5 - Expenditure on night vision technology and training for search and rescue**

€37,000 initially, in addition to running costs of €65,000 per year. The service provider submitted a proposal for training at a total cost of €4.1 million. A business case in March 2018 outlined the rationale for progressing with the training, and an initial payment of €1.7 million was made in November 2018 to the service provider in that regard.

The C&AG queried the rationale for the significantly increased cost of training from 2009 to the proposal made by the service provider in 2017, and the amount paid up front for the training given the timescale of completion. Furthermore, the chapter notes the investment in NVIS equipment for the fleet may confer a competitive advantage on the current service provider in the context of the next tender competition for SAR services, which was planned for 2022 at that point.

The chapter includes responses to questions raised by the C&AG provided by the Accounting Officer for the Department of Transport, summarised as follows:

- Training only commenced in November 2019, due to the departure of a training instructor, and COVID-19 restrictions caused disruption subsequently. However, training was due to be completed in 2022.
- European Union Air Safety Agency (EASA) regulatory requirements caused the cost to deliver training to be significantly higher than the 2009 estimate.
- The potential for the current service provider to be given a competitive advantage for the next tender competition was played down, as any outstanding training would 'more than likely' carry over to the new contractor, and the goggles purchased are owned by the Irish Coast Guard.
- The contract with the current service provider was extended to 2024 to facilitate a seamless transition from one provider to another, and also to comply with *Public Spending Code* requirements.

The C&AG stated he is 'not persuaded that good value for money for the taxpayer has been achieved from this expenditure' in the conclusion to the chapter, as benefits have not been fully realised from the significant payments by the Exchequer dating back to 2013.

The Committee is concerned that this expenditure has not delivered the promised benefits in a timely manner, and addresses this matter in greater detail in Issue Five, and Recommendations 10 and 11 of this Committee report.

The C&AG's Special Report 113 - Procurement of vehicles by the Irish Coast Guard[3]

The Special Report examines the procurement of 18 vehicles by the Irish Coast Guard, under a contract signed in November 2015. These vehicles were acquired for just under €1.4 million between 2016 and 2020.

Weaknesses identified by the C&AG in the specification of requirements included:

- A lack of a strategic plan for the improvement, management and maintenance of the Irish Coast Guard's fleet,
- The Irish Coast Guard did not set out the operational need for the vehicles, the number of vehicles, the type and functionality required, or have regard for available budgets and any timeframe,
- No consultation with cliff rescue teams before agreeing the contract,
- Crucial required specifications were missing from the relevant Request for Tenders (RfT),
- A technical advisory group that was convened but was not used to evaluate tenders received.

The report questions why the contract value for the tender was publicly undervalued at €160,000, with an intention to purchase a minimum of four vehicles, with no maximum or likely number to be purchased. The report considers it likely that the understatement of the contract value limited competition for the tender. Significant deficiencies were identified in the tender evaluation, which led the C&AG to state that 'there is no reasonable basis to conclude that the Department conducted a fair and impartial procurement process for the vehicles.'

The C&AG regarded it as unacceptable that there are significant gaps in the Department's records of the tendering process, particularly regarding bid evaluation. The vehicle model contracted for differed from that proposed in the tender bid, and the available records do not provide a basis for this change, according to the C&AG.

The report found no evidence that a formal evaluation was ever undertaken by the Irish Coast Guard on the vehicles purchased.

[3] **C&AG Special Report 113 - Procurement of vehicles by the Irish Coast Guard**

After issues were identified with the carrying ability of the vehicles, a decision was made to uprate the vehicles to a higher weight, the cost of which has not been set out but is 'likely to be significant', according to the report. Despite the uprating of the vehicles, the vehicles still do not deliver the required payload capacity, as estimated by the technical advisory group.

The report states that the actual fit out costs for the vehicles acquired, €31,500 per vehicle, was significantly higher than that set out in the successful bid – €18,340. This variation in cost amounts to over €290,000 when calculated for the 18 vehicles acquired.

The C&AG highlighted the need to make changes to the Department's procurement procedures. The C&AG made four recommendations, to the Irish Coast Guard or the Department, which are set out in full below.

Recommendations made by the C&AG

3.1 Given the scale and diversity of the Coast Guard's operations, it should have a strategic plan for improvement, management and maintenance of its fleet.

3.2 Given the unusual and specific requirements of the Coast Guard's units, all procurements of equipment should involve technical and user input at the planning stage.

3.3 All significant procurements, including 'pilot' or sample purchases with the potential for significant follow-on procurement, should be based on formal statements of assessment of operational needs.

4.1 The Department should conduct a review of the adequacy of its procedures and record keeping in relation to procurement and conduct scheduled reviews across a range of contracts, including those concluded by the Coast Guard, to check compliance with specified procedures.

The Accounting Officer agreed with all four recommendations. The Committee notes the recommendations made, and wishes to see progress on the implementation of same.

National Transport Authority

Meeting Date:

- **27 January 2022**

Matters for Examination:

- **2020 Financial Statements**

Financial Statements 2020

The NTA reported an operating surplus of €2.5 million in 2020, which contrasts with the operating deficit of €7.8 million in 2019.

The NTA recorded expenditure amounting to €1.04 billion in 2020, an increase of 71% from the previous year, with the NTA's expenditure totalling €609 million in 2019.

The largest increases in expenditure were seen in the areas of Public Service Obligation (PSO) expenditure, which increased from €314 million in 2019 to €579 million in 2020, and capital investment expenditure, which saw an increase of approximately €127 million in 2020, bringing expenditure in this area to €350 million.

Income for the NTA rose to €1.09 billion in 2020, an increase of 64% from 2019. 97% of the NTA's income comprised Oireachtas grants[4]. The largest grants were received for PSO funding (€576 million) and capital investment funding (€410 million).

PSO funding is largely distributed to transport operators in Ireland, with Iarnród Éireann (41%), Dublin Bus (23%), and Bus Éireann (17%) recording the bulk of the expenditure in this area. As passenger numbers fell by between 50-95% of 2019 levels on relevant services due to the COVID-19 pandemic, additional PSO grants were provided by the Exchequer, which in no small part caused the significant increase in both income and expenditure in this area.

The C&AG issued a clear audit opinion for the NTA's 2020 Financial Statements. However, attention was drawn to non-effective expenditure totalling €400,000 to develop a new grant management system. A decision was subsequently made to terminate the project and redevelop the existing grant management system.

[4] Oireachtas grants are sourced from the Department of Transport in all cases, except in the case of Free travel funding and a portion of the Rural Transport scheme, which is received from the Department of Social Protection.

Transport Infrastructure Ireland

Meeting Date:

- **3 February 2022**

Matters for Examination:

- **2020 Financial Statements**

Financial Statements 2020

Expenditure for TII amounted to €1.47 billion in 2020, increasing from €1.23 billion in 2019, while income totalled €1.44 billion in 2020, up from €1.34 billion from the previous year. This resulted in an operating deficit of approximately €31 million in 2020, a significant drop from TII's operating surplus of €109 million in 2019.

TII received Exchequer grant funding totalling €1.3 billion in 2020, up from €1.1 billion in 2019. €480 million was received in 2020 to fund National Road Construction and Improvement, increasing from €395 million in 2019. In 2020, TII administered grants to local authorities in the area of regional and local roads totalling €546 million, up from €482 million in 2019.

Toll income fell significantly in 2020 due to COVID-19 measures, falling by 28% to €138.5 million in 2020, from a previous year high of €192.6 million in 2019.

The C&AG issued a clear audit opinion for TII's 2020 Financial Statements. However, attention was drawn to significant expenditure in respect of technical design services under a contract awarded in 2020. The procedures followed to commission the work were found not in compliance with public procurement guidelines.

Issues identified and recommendations made by the Committee of Public Accounts

Based on its analysis of the matters under examination during its engagement with the Department, the Committee highlights five issues arising, and makes a number of corresponding recommendations: -

Issue One – Evaluating Exchequer spending on public transport infrastructure projects

The *National Development Plan 2021-2030* (NDP)[5] and the NTA's *Transport Strategy for the Greater Dublin Area 2016-2035*[6] commit to ambitious public transport infrastructure projects for the State and the Greater Dublin Area respectively. Alongside the revised NDP, the Government announced a €35 billion package of investment in public transport and active travel[7]. The Minister for Transport stated that there is approximately €70 billion worth of transport projects in the planning process as of March 2022[8]. Given the extent of expenditure in this area, the Committee will actively monitor the value-for-money achieved from major projects related to both strategies.

The need for a Metro system for the Greater Dublin Area was first proposed in the *A Platform for Change*[9] strategy, published by the former Dublin Transportation Office in September 2000.

Approximately €300 million has been spent up to the end of March 2023 on Metrolink, and the old Metro North and Metro West projects. Despite this significant investment, physical construction has yet to begin on a metro system for the Greater Dublin Area.

[5] National Development Plan 2021-2030

[6] Transport Strategy for the Greater Dublin Area 2016-2035

[7] Department of Transport Press Release - 4 October 2021

[8] Oral Parliamentary Questions 7, 19, 29, 32, 59 - 3 March 2022

[9] A Platform for Change: Outline of an integrated transportation strategy for the Greater Dublin Area 2000 to 2016

The most likely cost for the construction of the Metrolink system was estimated at €9.5 billion by the Department in April 2023[10], with the most credible capital cost ranging from €7.16 billion to €12.25 billion[11], although some estimates for the project allow for a cost as high as €21.5 billion[12]. The Committee is concerned at the range of estimates and expresses its wish that the cost of the project does not exceed €9.5 billion, particularly in light of other public infrastructure projects such as the National Children's Hospital, which is projected to be completed significantly over-budget.

The metro system for Dublin proposed in *A Platform For Change* was due to be in operation by 2010. A Railway Order for the later Metro North project was granted by An Bord Pleanála in October 2010, with planning permission granted by the same body in October 2011. In November 2011, the Metro North project was suspended by the Government, primarily as a result of the prevailing economic downturn. A new Metro North project was announced by the NTA in September 2015, with services due to commence in 2026[13].

The Metrolink project succeeded that project, and according to correspondence from the Department in April 2023, Metrolink services are currently projected to commence in 2034. The importance of Metrolink is underlined in the updated business case for the project, published in July 2022. Alongside benefits for public transport users, road users, the economy, and the environment, Metrolink's most likely benefit to cost ratio stands at 1.4, with a potential range from 1.1 to 2. It is imperative for the final cost, amongst other reasons, that Metrolink is completed on time, as it has been estimated that each year of delay would add additional costs of between €100 million and €300 million[14], in addition to delaying the economic and social benefits associated with Metrolink.

The Committee is frustrated at how long it has taken from the initial proposal for a metro system in Dublin, to the most recent date for completion. The Committee notes that, according to that timeline, Metrolink will be delivered 23 years after planning permission was granted to the original Metro North project.

[10] R1852 PAC 33

[11] Updated Metrolink Preliminary Business Case - National Transport Authority

[12] R1852 PAC 33

[13] National Transport Authority Press Release - 29 September 2015

[14] Updated Metrolink Preliminary Business Case - National Transport Authority

The Committee is anxious to see Metrolink completed by 2034, as per the current timeline, and Recommendation 1 below underlines the Committee's intention to keep abreast of the duration and cost of the Metrolink project.

Delays have been a factor in the publication of the proposed All-Island Strategic Rail Review, which is set to propose significant improvements in public transport infrastructure outside of Dublin. The Department informed the Committee in November 2021[15] that the review was set to be completed by Q4 2022.

However, recent correspondence from the Department indicates that publication of same has been delayed until the second half of 2023. The Committee will continue to monitor relevant developments after the 2023 Dáil summer recess.

Recommendation:

1. The Committee recommends that the Department provides it with a report on the Metrolink project by September 2023, and on an annual basis thereafter for the duration of the project, to include:
   - an up-to-date detailed breakdown of the total expenditure on Metrolink,
   - the most up-to-date estimated cost of the project, and
   - any milestones that have been achieved, missed, or amended within that timeframe.

[15] **R871 PAC 33**

Issue Two – Ineffective Exchequer expenditure on key public transport infrastructure projects

As a result of the suspension of the Metro North, Metro West and DART Interconnector projects, the Committee highlights that Exchequer expenditure on those three projects has been ineffective.

Of the €166 million invested in Metro North to the end of 2014, the residual value[16] of this expenditure stands at €67 million, leaving lost expenditure totalling €99 million[17]. Expenditure of €18.7 million on Metro West is also lost, as the suspended project is not included in the NDP or current NTA strategies.

Expenditure to September 2015[18] on the original DART Interconnector project totalled approximately €45 million. The Department informed the Committee that 20-25% of this expenditure had a residual value. Therefore, between €31.5 million and €33.8 million has been lost on that project.

The Committee highlights a cumulative loss to date of approximately €150 million of Exchequer funding on these three projects. The Committee believes that too much time and money has been ineffectively utilised over the past two decades by successive Governments on works associated with these infrastructure projects. All three projects were considered vital to connectivity and realising key economic and social benefits in the Greater Dublin Area when proposed. The Committee's response to the ineffective expenditure on these projects is included in its recommendation below.

Recommendation:

2. The Committee recommends that the National Transport Authority reports to it by September 2023 on the lessons learned from the significant levels of ineffective expenditure on the Metro North, Metro West and DART Interconnector projects, and provides details of what the NTA is doing to prevent ineffective expenditure on the Metrolink project, and other planned public transport infrastructure projects.

[16] This is the value of expenditure that has remained over time, and the related work can be used going forward.

[17] R1852 PAC 33

[18] It was decided by Government in September 2015 not to proceed with DART Underground in its existing format, and to examine the potential for lower cost solutions.

Issue Three – Expenditure on the enhancement of infrastructure to encourage modal shifts in travel within the State

In *A Platform for Change*, it was estimated that 63% of morning peak trips in Dublin would be undertaken by bus or rail by 2016[19], if the planned infrastructure projects were completed. According to a survey carried out by the Central Statistics Office (CSO) in 2019[20], 62.2% of journeys in the Dublin region were undertaken by car, with 12.6% of journeys made using public transport.

The dominance of the private car is even more pronounced outside Dublin, with the proportion of journeys undertaken by car rising to 78.6%, and only 4.1% of journeys undertaken by public transport. The COVID-19 pandemic had a big impact on journeys made in Dublin, with a 2021 CSO survey finding a significant increase in journeys made by walking, rising from 17.6% in 2019 to 24.6% in 2021[21]. Journeys by car or public transport decreased, falling to 55.7% and 10.9% respectively.

There was a significant rise nationally in journeys made using Public Service Obligation (PSO) services[22] from 2012 (210 million) to 2019 (295 million)[23], reflecting the State's economic and population growth in that timeframe. However, the COVID-19 pandemic had a huge impact on passenger numbers and revenues, with overall PSO journeys reducing by 53% to 138 million in 2020, with only a minor increase of 2.9% seen in 2021. The NTA state that a recovery was seen in November 2022 amongst bus and light rail services to pre-pandemic levels, with Dublin Bus and Bus Éireann surpassing November 2019 figures[24].

Journeys on Iarnród Éireann services remained below pre-pandemic levels of travel. NTA statistics[25] from 2021 show that passenger journeys on key Dublin rail routes – namely, DART services and the Dundalk to Arklow Commuter belt – are still below 2007 levels.

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[19] A Platform for Change: Outline of an integrated transportation strategy for the Greater Dublin Area 2000 to 2016

[20] Central Statistics Office National Transport Survey 2019 (Table 2.3)

[21] Central Statistics Office Travel Behaviour Trends 2021 (Table 2.3)

[22] PSO funding is issued to Iarnród Éireann, Dublin Bus, Bus Éireann, and other operators to which PSO services were tendered out. Commercial services do not receive PSO funding (eg. Bus Éireann Expressway services).

[23] National Transport Authority Bus and Rail Statistics 2021

[24] National Transport Authority Press Release - 7 February 2023

[25] National Transport Authority National Rail Census 2021

This presents a lack of return for the significant investment in heavy rail in that timeframe, despite improvements in services such as the introduction of a 10-minute DART service in the latter part of 2018.

The Committee believes that a lack of connection prevails within public transport networks in the State. Furthermore, land use and transport planning need to be evaluated together to build effective networks.

The Government anticipates expenditure ranging from €2.62 billion to €3.37 billion on the BusConnects Dublin programme up to 2030[26]. BusConnects programmes in Cork, Galway, Limerick, and Waterford are also likely to command significant Exchequer expenditure, with the current estimated cost for the Cork programme amounting to €600 million[27]. The NTA published a detailed breakdown of expenditure on BusConnects from 2018 to 2020[28], which amounted to €55 million, while the NTA's financial statements show further BusConnects expenditure of €31.4 million in 2021.

This Committee[29], and the Joint Committee on Transport and Communications[30], made the NTA aware of negative experiences of route changes reported by service users of routes delivered by BusConnects. The programme has seen significant changes already made to key bus corridors, however, no reviews of the network changes made as part of the programme have been published to date. Therefore, this Committee cannot evaluate the effectiveness of the significant expenditure on BusConnects.

Despite extensive Exchequer funding in the area of capital investment expenditure, there is currently no detail in the NTA's Financial Statements as to whether major projects are kept within budget, nor any rationale where this is not the case. The same is true for TII's Financial Statements. In the 2020 Financial Statements for the NTA, note 26.1 states that the expected cost of the Luas Green Line capacity enhancement project, undertaken by TII, increased from €88.8 million in 2019 to €95.7 million in 2020.

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[26] Department of Transport Press Release - 8 March 2022

[27] BusConnects Cork

[28] Breakdown of Overall Expenditure on BusConnects to end-2020

[29] Committee of Public Accounts - Meeting Transcript - 27 January 2022

[30] Joint Committee on Transport and Communications - Meeting Transcript - 8 November 2022

The rationale for this increase is not given by way of a note or footnote to the NTA's Financial Statements, and the variation is not separately accounted for in TII's 2020 Financial Statements. The Committee makes a recommendation to provide more information in this regard in Recommendation 4.

Furthermore, it is vital for the State to reduce its greenhouse gas emissions in order to meet targets set by the European Union and avoid large fines[31]. In order to comply with its 2020 targets, the State needed to purchase carbon credits, for which €8 million was set aside in the Revised Estimates for Public Services 2022. The Committee examined this issue in its eleventh report[32], and recommended 'urgent action to meet these targets going forward, in order to reduce expenditure by the State on statistical transfers or carbon credits.'

Achieving a significant modal shift from private car to public transport, or indeed walking or cycling, would help the State achieve a sizeable reduction in greenhouse gas emissions. The Committee underlines the need for effective spending in the area of public transport to achieve this goal.

While statistics exist for the number of journeys made using PSO services, the Committee cannot effectively gauge the number of people switching from private car to other modes of travel, and the consequent value for money achieved from the significant investments made by Government in public transport services and infrastructure, and the promotion of active travel. The Committee underlines its intention to seek more information in this area through Recommendation 5.

Recommendations:

3. The Committee recommends that the National Transport Authority:
    - publishes a review on its website of the BusConnects programme on a twice-annual basis, including a survey of service user satisfaction with routes delivered by the programme, and

[31] these were **estimated in July 2017 by the Department of Finance** to be in the order of €600 million per year if the State did not reach emissions targets by 2020

[32] **Examination of the 2019 and 2020 Appropriation Accounts for Vote 29 - Environment, Climate and Communications, and expenditure on the National Broadband Plan**

- provides detailed metrics for success when it makes announcements that it has successfully rolled out a new corridor or spine in relation to BusConnects.

4. The Committee recommends that both the National Transport Authority and Transport Infrastructure Ireland provide a note in their respective financial statements to include details of any instances where the reported cost for a major capital project has varied by more than €5 million compared with the previous year, and the rationale for same.

5. The Committee recommends that the National Transport Authority includes statistics in its annual report, starting from 2023, regarding:

   - the modes of transport used

     i. in the Greater Dublin Area, and the cities of Cork, Galway, Limerick, and Waterford, and

     ii. nationally, broken down by local authority,

   - how peak travel compares to off-peak travel.

6. The Committee recommends that the National Transport Authority provide it with modelling by October 2023 on the projected impact of the Metrolink, DART+ and BusConnects projects, when completed, on the number of passenger journeys and modal shift in the Greater Dublin Area, and other cities nationwide.

Issue Four – PPP contracts/matters concerning toll schemes

In its first periodic report[33], the Committee of Public Accounts of the 32nd Dáil recommended that Transport Infrastructure Ireland, as per the recommendation in Chapter 4 of the C&AG's 2016 Report on the Accounts of the Public Services[34], publishes post-project reviews of its public-private partnership (PPP) projects. This Committee welcomes that this recommendation was implemented and that such reviews have been published for the majority of PPP schemes undertaken by TII.

There remains, however, a lack of transparency regarding these PPP projects, particularly regarding the risk profile for the State and the private entity. TII informed the Committee that it objects to the publication of unforeseen costs and losses of income borne by the private entity in PPP schemes as it is deemed commercially sensitive and confidential. The ability of the Committee to effectively analyse the value-for-money aspect of PPP schemes is undermined when there is such a dearth of financial information regarding private entities party to schemes.

The Committee also considered the collection of excess toll revenue by operators arising from overpayment by service users. This revenue is usually retained by operators. The Committee addresses these issues in Recommendation 7.

The Committee heard in its meeting with TII that refinancing mechanisms in PPP schemes can only be triggered by the private entity. The Committee pointed out during the engagement that the private entity could potentially benefit from cheaper borrowing rates than at the time of the scheme being agreed. The private entity could benefit from a better return on investment as a result, with the Exchequer potentially failing to benefit at all. The Committee seeks further details in Recommendation 8 on any cases in which this arose.

In its second meeting with the Department, the Committee highlighted that physical toll barriers, particularly at the entrance to the Port Tunnel, could be a significant source of pollution.

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[33] **Committee of Public Accounts of the 32nd Dáil: Periodic Report no. 1**

[34] **C&AG Report on the Accounts of the Public Services 2016: Chapter 4 - Overview of Public Private Partnerships**

While implementing a barrier-free system similar to the M50 toll would require further investment by the Exchequer, the Committee points to the merits of exploring its implementation in Recommendation 9.

Recommendations:

7. The Committee recommends that the Department ensures that, for any future public-private partnership schemes it enters into:
    - there should be more transparency on the risk profile for both the State and the private entity,
    - review clauses that can only be triggered by the private entity are avoided, and
    - toll operators should not be allowed to retain excess tolls collected in cases of overpayment, and that this revenue should instead be invested in the community and/or roads maintenance.
8. The Committee recommends that Transport Infrastructure Ireland reports to the Committee by September 2023 on any instances where refinancing mechanisms were triggered by the private entity in PPP schemes undertaken by TII, and at what cost, if any, to the State.
9. The Committee recommends that Transport Infrastructure Ireland carries out an exercise on the removal of physical toll barriers nationwide, to investigate any benefits regarding the reduction of carbon emissions and mitigation against EU fines for CO2 emissions, versus the cost of implementing such systems nationwide. The Committee recommends that TII reports to it on this matter by September 2023.

Issue Five – Expenditure on Irish Coast Guard operations and fleet

Chapter 5 of the Comptroller and Auditor General's *Report on the Accounts of the Public Services 2020*, as analysed in the previous section of this report, examined expenditure on night vision imaging technology (NVIS) by the Irish Coast Guard from 2013.

At the time of publication of the C&AG's report, in excess of €6.5 million had been spent in this area. This comprised €4.3 million for the modification of helicopters leased to the Coast Guard for compatibility with NVIS, the purchase of night vision goggles for €527,000, and an initial payment of €1.7 million for NVIS training. According to the Department, all bases went live in Quarter One 2023, with the Waterford base the last to do so.

The Committee underlines the delay in the delivery of training on NVIS, which was delivered almost ten years after the initial payment to equip the Search and Rescue (SAR) helicopter fleet for compatibility with NVIS, and the lack of value of this investment in training so late into the contract with the current SAR service provider. In this regard, the Committee makes Recommendation 10 in order to obtain further detail on the expenditure in this area.

The Committee notes that the contract with the current service provider will have reached just under €800 million by the current contract expiry date, or close to €1 billion inclusive of VAT, with no helicopters retained by the State at the end of the contract. This is despite the cost per helicopter, in the case of the current model used, reported at €45 million in the Committee's meeting with the Department in November 2021.

In the Request for Tenders for the next SAR contract, the cost of the next contract was estimated by the Department to reach €800 million excluding VAT[35], or just under €1 billion inclusive of VAT.

The Committee notes a press release from the Department in May 2023[36], which announced a preferred tenderer for the next SAR contract.

[35] Competition for the provision of Irish Coast Guard Aviation Service

[36] Department of Transport Press Release - 30 May 2023

The value of the contract is estimated at approximately €670 million (excluding VAT) and 'will run for 10 years in the case of the helicopter service and five years in the case of fixed wing element of the service, with options to extend both services out to 13 years.' The Committee further notes that the proposed contract includes a provision for the Air Corps to provide the fixed wing element of the service after five years.

The Committee recommends that the Department provide more information on these issues in its response to Recommendation 11.

Recommendations:

10. The Committee recommends that the Department provides it with a detailed report, by September 2023, of expenditure on night vision imaging technology (NVIS) for the entirety of the contract with the current Search and Rescue (SAR) service provider, including:
    - the total expenditure in this area to the point where all bases went live,
    - any further expenditure on NVIS training due before the end of the contract with the current service provider, and
    - any expenditure on training that has been committed to during the timeframe of the next SAR contract.
11. The Committee recommends that the Department provides it with a report outlining the following information relating to expenditure on the Search and Rescue service:
    - a breakdown of additional costs to the State on top of those written down in the current SAR contract,
    - what the Department is doing to ensure that such additional costs are minimised in the next SAR contract, and
    - whether it is also an option for the State to purchase its own helicopters for SAR services, and a copy of any cost-benefit analysis that was undertaken in that regard.

Appendix 1 Committee Membership

The following Deputies were members of the Committee of Public Accounts when the report was agreed:

John Brady	Sinn Féin
Colm Burke	Fine Gael
Cormac Devlin	Fianna Fáil
Alan Dillon	Fine Gael
Alan Kelly	Labour
Paul McAuliffe	Fianna Fáil
Imelda Munster	Sinn Féin
Catherine Murphy	Social Democrats
Verona Murphy	Independent
Marc Ó Cathasaigh	Green Party
James O'Connor	Fianna Fáil
Brian Stanley (Cathaoirleach)	Sinn Féin

Appendix 2 Committee Orders of Reference

Dáil Standing Order 218 – Committee of Public Accounts

218. (1) There shall stand established, following the reassembly of the Dáil subsequent to a General Election, a Standing Committee, to be known as the Committee of Public Accounts, to examine and report to the Dáil upon—

(*a*) the accounts showing the appropriation of the sums granted by the Dáil each year to meet the public expenditure and such other accounts as they see fit (not being accounts of persons included in the Second Schedule of the Comptroller and Auditor General (Amendment) Act 1993) which are audited by the Comptroller and Auditor General and presented to the Dáil on an annual basis, together with any reports by the Comptroller and Auditor General thereon;

(*b*) the Comptroller and Auditor General's reports on his or her examinations of economy, efficiency, effectiveness evaluation systems, procedures and practices; and

(c) other reports carried out by the Comptroller and Auditor General under the Act.

(2) In considering particular accounts pursuant to paragraph (1)(*a*), the Committee shall examine whether, having regard to changes in—

(a) the volume or quality of services or other outputs delivered, and

(b) associated expenditure,

over time, it can be demonstrated that value for money has or has not been achieved.

(3) The Committee shall bring conclusions and recommendations reported to the Dáil pursuant to paragraph (1)(*a*) in relation to particular accounts to the attention of the relevant Committee established pursuant to Standing Order 95.

(4) The Committee may suggest alterations and improvements in the form of the Estimates submitted to the Dáil and shall bring any such suggestions as reported to the Dáil to the attention of the Committee on Budgetary Oversight.

(5) The Committee may proceed with its examination of an account or a report of the Comptroller and Auditor General at any time after that account or report is presented to Dáil Éireann.

(6) The Committee shall have the power to send for persons, papers and records.

(7) Paragraphs (4) to (9) inclusive of Standing Order 96 shall not apply to the Committee.

(8) Every report which the Committee proposes to make shall, on adoption by the Committee, be laid before the Dáil forthwith whereupon the Committee shall be empowered to print and publish such report together with such related documents as it thinks fit.

(9) The Committee shall present an annual progress report to Dáil Éireann on its activities and plans.

(10) Notwithstanding the provisions of paragraph (1) of this Standing Order, the Committee shall have the power to examine and report upon a specific matter of general public interest relating to the appropriation of public moneys, which is not comprehended by appropriation accounts or reports of the Comptroller and Auditor General within the meaning of paragraph (1), subject to—

(a) a positive determination having been made by the Committee on Remit Oversight under Standing Order 93A pursuant to a request by the Committee of Public Accounts under Standing Order 93B for an extension to its orders of reference for the purpose of examining the matter; and

(b) the approval of the Dáil by way of an appropriate motion under Standing Order 93B to instruct the Committee in conducting its examination of the matter.

(11) The Committee shall refrain from—

(*a*) enquiring into in public session, or publishing, confidential information regarding the activities and plans of a Government Department or office, or of a body which is subject to audit, examination or inspection by the Comptroller and Auditor General, if so requested either by a member of the Government, or the body concerned; or

(*b*) enquiring into the merits of a policy or policies of the Government or a member of the Government or the merits of the objectives of such policies.

(12) The Committee may, without prejudice to the independence of the Comptroller and Auditor General in determining the work to be carried out by his or her Office or the manner in which it is carried out, in private communication, make such suggestions to the Comptroller and Auditor General regarding that work as it sees fit.

(13) The Committee shall consist of thirteen members, none of whom shall be a member of the Government or a Minister of State, and four of whom shall constitute a quorum. The Committee and any sub-Committee which it may appoint shall be constituted so as to be impartially representative of the Dáil.

Appendix 3 Witnesses

The Comptroller and Auditor General Mr. Seamus McCarthy is a permanent witness to the Committee and attends all of its engagements.

The following table contains the names of witnesses who provided information to the Committee during its meetings on 27 May 2021, 11 November 2021, 27 January 2022, and 3 February 2022:

Department of Transport	
Mr. Ken Spratt	Secretary General
Ms Ethna Brogan	Assistant Secretary
Ms Deirdre O'Keeffe	Assistant Secretary
Mr. Ray O'Leary	Assistant Secretary
Mr. Fintan Towey	Assistant Secretary
Mr. Eugene Clonan	Principal Officer
Mr. Garrett Doocey	Principal Officer
Mr. Andrew Ebrill	Principal Officer
Mr. Dominic Mullaney	Principal Officer

Department of Public Expenditure, NDP Delivery and Reform	
Ms Niamh Callaghan	Principal Officer

National Transport Authority	
Ms Anne Graham	Chief Executive Officer
Mr. Hugh Creegan	Deputy Chief Executive Officer
Mr. Tim Gaston	Director of Public Transport Services
Mr. Philip L'Estrange	Director of Finance and Public Services
Mr. David O'Flynn	Financial Controller

Transport Infrastructure Ireland	
Mr. Peter Walsh	Chief Executive
Ms Audrey Keogh	Director of Business Services
Mr. Pat Maher	Director of Network Management
Mr. Cathal Masterson	Director of Commercial Operations
Mr. Nigel O'Neill	Director of Capital Programme Management

Appendix 4 References

Information from the following sources informed the Committee's issues and recommendations in this report: -

References
Meeting Transcript - 6 July 2017
Meeting Transcript - 27 May 2021
Meeting Transcript - 11 November 2021
Meeting Transcript - 27 January 2022
Meeting Transcript - 3 February 2022
Joint Committee on Transport and Communications - Meeting Transcript - 8 November 2022
2019 Appropriation Account for Vote 31 - Transport, Tourism and Sport
2020 Appropriation Account for Vote 31 - Transport
National Transport Authority - 2020 Financial Statements
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C&AG Report on the Accounts of the Public Services 2016: Chapter 4 - Overview of Public Private Partnerships
C&AG Report on the Accounts of the Public Services 2020: Chapter 5 - Expenditure on night vision technology and training for search and rescue

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National Transport Authority Bus and Rail Statistics 2021
National Transport Authority National Rail Census 2021
Breakdown of Overall Expenditure on BusConnects to end-2020
BusConnects Cork
Competition for the provision of Irish Coast Guard Aviation Service

Houses of the Oireachtas
Leinster House
Kildare Street
Dublin 2
D02 XR20

www.oireachtas.ie
Tel: +353 (0)1 6183000 or 076 1001700
Twitter: @OireachtasNews

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