

**OPENING REMARKS – DEPARTMENT OF TRANSPORT**  
**PUBLIC ACCOUNTS COMMITTEE 11<sup>th</sup> NOVEMBER 2021**

Thank you Chairman.

2020 was a year of change for the Department of Transport. The Tourism and Sport functions were transferred out of the Department, and the Department's remit is now solely focused on Transport. Three programmes remained, Civil Aviation, Land Transport and Maritime Transport and Safety. The onset of the Covid 19 crisis in March of 2020, along with the transfer of functions, necessitated the publication of a further set of Revised Estimates in 2020 and the Appropriation Account for 2020 reflects this set of Estimates. The Department's net allocation in the further Revised Estimates for 2020 was, to round, €3.0285 billion, comprising €1.981 billion capital and €1.047 billion current expenditure. The allocation of capital was primarily directed towards the core capital programme with an additional allocation of €113.25m for the "July Stimulus". Current expenditure supported existing services, with a substantial in-year increase of €492.55m in funding compared to the start-of-the-year position to address pressures caused by the Covid-19 crisis with €2 million related to "July Stimulus" funding. As it transpired, not all of the emergency funding was required in 2020, a significant contributory factor in the surrender to the Exchequer of €176 million in current expenditure funds at year end.

I would also like the Committee to note, that taking on board the advice of the Comptroller and Auditor General at the Public Accounts hearing in May 2021, concerning the splitting of the Land Transport Programme in the interests of transparency and better reporting, I can confirm that this has now been completed for 2022, creating three new programmes: Programme A – Sustainable Mobility (Active Travel & Greenways); Programme B – Sustainable Mobility (Public Transport); and Programme C - Road Networks and Road Safety.

### **Programme A - Aviation**

The high-level goal for Aviation in 2020 was to *“Maximise air transport connectivity with a safe, competitive, cost effective and sustainable aviation sector”*. The programme was allocated €41.865 million in current expenditure and €10.7m in capital in the Aviation sector. This financed Public Service Obligations for the Regional Airports, as well as capital investment in aviation safety and security projects. The programme included €15m in contingency to support the Travellers Protection Fund. This fund, administered by the Commission for Aviation Regulation, is in place to meet any legal obligations arising in relation to customers requiring repatriation or reimbursement in the event of a travel or tour operator failure.

## **Programme B - Land Transport**

For Land investment, our goal in 2020 was to *“service the needs of society and the economy through safe, sustainable and competitive transport networks and services.”* In this regard, we are responsible for the corporate governance of the two lead planning and investment agencies, Transport Infrastructure Ireland and the National Transport Authority. €1.963 billion in capital was allocated to progress the core capital programme and also to provide additional Covid relief measures and near-term economic stimulus. €917.062 million was allocated in current expenditure, primarily to support PSO funded services. Of this allocation, €460 million was related to emergency PSO funding for non-commercial and commercial transport services.

Major construction developments in 2020 included commencement on construction of the National Train Control Centre, the N22 Ballyvourney to Macroom, the Dunkettle Interchange, the opening of the N25 New Ross Bypass in Wexford, and the completion of the N7 Naas Road Widening project in Kildare. In addition, the development of the Dublin Megaprojects preliminary business cases continued, along with construction of key national roads, the N5 Westport to Turlough, the N56 Dungloe to Glenties and N4 Collooney to Castlebaldwin, despite severe disruption caused by the Covid-19 crisis.

Prior to the onset of Covid-19, public transport bus and rail services had effectively reached capacity. Year on year increases in fare revenue meant that PSO funding requirements were relatively stable. Public health measures introduced in March 2020 led to public transport capacity limits of 25% of normal capacity. Mid-year forecasts from the NTA, in a situation of a high degree of uncertainty, indicated that

an additional €460m may be required in subvention to address the shortfall. A portion of this funding was also utilised to fund a series of short-term contracts to support commercial public transport operators, who were also severely impacted by the Covid-19 crisis.

### **Programme C - Maritime**

Under the Maritime programme, our 2020 goal was to *“Facilitate safe and sustainable maritime transport and the delivery of emergency management services”*. Of the €110.667 million current allocation to the Maritime Sector, €76.877m supported Coast Guard services, €62.515 million of which was allocated to the Coast Guard Search and Rescue service delivered by CHC. A budget allocation of €5.659 million was also invested by the Commissioner of Irish Lights, which is responsible for maintaining marine navigation systems in Irish waters. In addition, €15 million was allocated as contingency to support certain key commercial ferry services as a result of financial stresses caused by the impact of Covid-19 and related public health measures. €6.420 million in capital was allocated to support investment in Coast Guard building and assets and in the Commissioner of Irish Lights.

### **Concluding Remarks**

I note the Committee’s interest in discussing a number of specific projects today, including BusConnects, Dart+ and Metrolink. I expect the Preliminary Business Cases for the three Dublin MegaProjects to go to Government shortly. I also note

the Committee's interest in the C&AG's special report into the procurement of Coast Guard vehicles. In relation to the latter, I share the C&AG's own concern as to its findings. Prior to publication of the report, or even to its genesis, the Department had been in the process of strengthening its corporate governance in the area of procurement. This has involved aligning the Department's procurement activities with the Office of Government Procurement Guidance in relation to procurement. Since the end of 2019, a Procurement Officer has been in place within the Department and has provided valuable support in ensuring that new procurements are conducted in accordance with all legal and administrative arrangements to ensure that the correct processes are followed.

The Department has strengthened its analytical tools in relation to procurement analysis and will be further strengthening the corporate monitoring of procurement activity in 2022 and beyond, as we move towards multi-annual procurement planning and forecasting. The rising number of 40/02 declarations in the Accounts in the last three years is a direct result of the monitoring, compliance, awareness and education frameworks we are implementing and are continuing to build on, as we seek to ensure that the smallest procurements are treated with the same rigour, thoroughness and attention to detail as larger procurements.

Thank you Chairman.