

Statement by Eamon Ryan
Minister for Transport
Select Committee on Transport and Communications
Supplementary Estimate
Tuesday 28 November 2023

I thank the Chairman and the Committee for this opportunity to present details of the Supplementary Estimate for the Department of Transport. The Supplementary Estimate is in two parts, a Substantive Estimate voting additional funds to the Department, as well as a Technical Estimate, re-allocating capital funds within the Vote between different subheads. In total, **€81.468m** in additional current expenditure funds will be allocated to the Vote, and **€68.600m** in capital funds will be re-allocated to other subheads within the Vote.

Taking the substantive supplementary for current expenditure first, **€57.4** million will be allocated to Public Transport PSO. The Covid-19 crisis had a profound impact on the public transport sector. At the height of the restrictions, public transport passenger numbers fell to below 10% of pre-Covid levels. However, passenger numbers rebounded strongly in 2022 and are now above pre-Covid levels, with particularly high volumes experienced at weekends. In Budget 2023, €563.774m was allocated to ensure the delivery of public transport services, including rural transport services. Of this, funding was provided for the continuation of the 20% average fare reduction on PSO services, introduced in 2022 as part of a suite of Cost-of-Living measures; and the continuation of the Young Adult Card initiative on both PSO and participating commercial bus services. Included in the above, €23m was provided for the

introduction of new and enhanced public transport services under programmes such as BusConnects, Connecting Ireland and New Town Services.

The impact of the 20% fare initiative, the Young Adult Card and the 90-minute fare have all meant that the average fare per passenger is lower, meaning that supplementary funding is required to ensure the continued operation of the network to year end at the existing level of service. I am delighted to see passenger numbers performing so well and expect continued growth in passenger numbers into 2024, as we continue to deliver on our commitment to improve and expand our public transport services.

€3.5m will be allocated to rural transport services, to support improved connectivity for Ukrainian Beneficiaries of Temporary Protection. The Department of Transport and the National Transport Authority have consistently monitored and responded to the ongoing situation and factored in the geographical spread of applicants into the public transport planning process. The Department and the NTA keep the issue of transport provision under review as this situation continues to evolve. Of the €3.5m, €1.5m is for potential new routes being advised based on the latest assessment of needs by the Department of Children, Equality, Disability, Integration and Youth.

The third item in the Supplementary concerns fuel relief for Hauliers. In March 2022, the Government approved a Licensed Haulage Emergency Support Scheme, which constituted an emergency support for the licensed haulage sector to address high fuel costs arising from the Ukraine crisis. It was a temporary, targeted measure for the licenced haulage sector, taking into account the sector's national strategic importance in enabling a functioning economy. In addition to being a key enabler of a functioning supply chain, the

Government recognised that fuel represents up to 40 per cent of cost inputs for road haulage operators. The Scheme was renewed again for 2023 and supports totalling **€15.635m** were paid out of the scheme.

€4.933m will be allocated to the Coast Guard. The additional funding will be utilised to pay for cost increases due to inflation in the Search and Rescue contract as well as increases in standard costs in its operational services, such as fuel and electricity. The additional funding will also be utilised to pay for the appointment of additional staff by CHC as part of safety compliance measures under the Fatigue Risk Management System.

Turning to the Technical Supplementary, to re-allocate funds within subheads, €296 million is allocated to Subhead A.3, Cycling and Walking, for 2023. In addition to this funding, it is proposed to allocate **€50m** from an underspend in Public Transport. The additional funds will go towards existing costs for 23 projects in Dublin, Meath, Wicklow and Galway, such as the Sustainable Transport Bridge in Waterford City, the Royal Canal Greenway (Phase 3), city-wide pedestrian crossings in Dublin, and the Proudstown Road to Trim Road Cycle Scheme in Meath. The fact that demand is once again very strong for Active Travel funding in 2023 demonstrates the success of this programme. Local Authorities have built up real momentum on the ground in identifying, designing and delivering projects for investment, providing and enhancing safe, sustainable walking and cycling opportunities in cities and towns across the country.

Programme C – Road Networks and Road Safety

€18.6 million is allocated from Subhead B.5, Public Transport, to Subhead C.4, Regional and Local Roads Protection and Renewal. As a result of the impact of ongoing significant inflation, the Department has been liaising with local authorities to establish the impact on maintenance and renewal work programmes and particularly on the important road strengthening programme. Feedback from local authorities has confirmed that the delivery of work programmes is under pressure because of increased costs. It is expected that this additional funding will assist local authorities in delivering approximately 170 kilometres of additional road strengthening works.

Finally, to note the reasons for the underspend in public transport, leading to the above re-allocation of funds. The main reasons are: fewer electric buses being purchased in 2023 than originally planned; a delay in a payment related to the purchase of 41 Inter-City Rail Cars; the postponement of some expenditure on the Dublin Bus depot electrification programme until 2024; and a delay in the award of the signalling contract as part of the Cork Area Commuter Rail. All of these investments are fully funded in the 2024 budget.

I am now happy to take any questions that the Committee may have.

ENDS