

Opening Remarks – 23rd February 2021

Joint Oireachtas Committee on Transport and Communications Networks

Ken Spratt, Secretary General for the Department of Transport

Thank you Chairman for the opportunity to discuss the review of the National Development Plan (NDP). As you know, the Cabinet meeting had a delayed start time today and Minister Ryan thought it better that I would attend the Committee meeting to ensure members are updated on the Review of the NDP.

Chairman, I am joined by my colleagues Ethna Brogan, Joan Curry, Dominic Mullaney and Garret Doocey, all of whom have been working on our department's input to the review of the NDP. I am not joined by any colleagues from Minister Ryan's other Department, the Department of the Environment, Climate and Communications. I will try to help as much as I can on DECC matters but may have to revert on other matters.

A review of the NDP is timely, in view of the events that have taken place, and are still taking place, since its launch in 2018. As part of the review, the specific remit given to the Department of Transport was to examine the Department's NDP investment plans in the light of the new Programme for Government, the completion of Regional Spatial and Economic Strategies, Climate Action commitments, as well as the impacts of Brexit and Covid-19. The review is a broad and wide-ranging review.

A transport development plan, to be successful, needs to have a clear focus on long term goals, but also be flexible and adaptable to changing circumstances.

The National Development Plan, which is built around outcomes, rather than specific projects, gives us that necessary flexibility and adaptability. The primary focus of the NDP is to absorb the estimated one million additional citizens that will live in this country by 2040 and cater for everyone in a sustainable manner. Our Department's priority is to ensure that investment is geared to support the mobility needs of an increasing population; to decarbonise public transport and to provide appropriate supports and incentives in decarbonising the private transport element of the economy.

There is an excellent opportunity in the Review of the NDP to accelerate decarbonisation of the transport sector, pivot strongly towards compact growth targets, while also building on the progress made to date on improving regional connectivity. I look forward to engaging with you today on these interlinked ambitions for transport.

Our Department's NDP submission examines the NDP at a policy level, to identify revised strategic priorities, rather than entering into a discussion of particular projects. The submission is underpinned by the draft National Investment Framework for Transport in Ireland (NIFTI), which replaces the Strategic Investment Framework for Land Transport, which had been in place since 2016. The primary purpose of the NIFTI will be to support, in a cost effective and evidence-based manner, the attainment of the National Strategic Outcomes set out in the National Planning Framework.

The NIFTI sets out principles, priorities, and an evidence-based framework to inform transport investment decision making. It sets out four unranked priorities for transport: Decarbonisation, Protection and Renewal, Enhanced Regional Accessibility and the Sustainable Mobility of People and Goods in Urban Areas. These unranked priorities, and I wish to emphasise they are all of equal priority, are accompanied by modal and intervention hierarchies, to assist in project identification and sequencing, and in comparing projects across different transport modes, but they are not in themselves a substitute for the existing decision-making processes.

In shaping the Department's budget and investment strategy, our focus will be to ensure that the Ministers have the support and resources they need to focus on delivering the National Planning Framework's National Strategic Outcomes, particularly where climate change and where land use and transport integration is concerned. The research makes it clear that the most productive strategy that the Department can pursue, when the goal is sustainably to absorb a rapidly growing population, is to expand sustainable mobility capacity within our major cities and towns. This primary goal, of Compact Growth, inherently complements three other key National Strategic Outcomes – Sustainable Mobility, High Quality International Connectivity, and Transition to a Low Carbon and Climate Resilient Society. The mantra is that first and foremost we must redouble our efforts to improve the mobility of people and goods *within* cities and within towns and villages.

What does Compact Growth mean in practice, when combined with Sustainable Mobility ambitions? For areas which have poor transport connectivity, it may mean adapting existing rail networks to open up neighbouring landbanks, properly integrating housing and land use. It may mean retrofitting roads to implement improved bus services, to provide a fast, reliable, comfortable, and sustainable bus and associated cycle network in our major cities and towns. It means that roads are not built just to deliver private vehicle traffic but are evaluated for public transport and active travel capabilities too. Road design and retrofitting will be focussed on moving several modes of transport, including cycling and walking, not just on moving cars.

We will improve sustainable access to our city centres, which it is very possible will move, because of the acceleration of remote working during the pandemic, away from intense 9-5 rush hour peaks, to smaller peaks and sustained all-day use. We will align investment to encourage the concept of 15-minute neighbourhoods, so it will be possible to safely walk or cycle to school, to the shops, or nearby places of employment in the largest cities or smallest urban settlement, without relying on a private car. We will improve access to our international gateway airports and ports, which are all located in large conurbations. We will replace our public transport petrol and diesel fleets with LEV fleets.

As we increase population densities within cities and towns, we will continue to reinforce the need for more efficient inter-urban connections, between our towns and cities and provide the population base and density to develop improved high quality inter-urban road and rail connections for passengers and freight. We will attract business investment and create jobs as we will have the population densities and ready-made work force to support businesses and enterprise. Rural transport between towns and villages will become more and more viable, with key pick up and drop off points along the way.

Decarbonisation is of over-riding importance right across Government. It is clear that decarbonisation, while rightfully seeking to arrest and redress climate change, has become an industrial revolution in its own right, as profound as the move from coal and steam power to oil and petrol power. It is about the most productive use of energy. Historically, industrial revolutions are the biggest drivers of productivity, and linked to open trade, are how living standards increase in an economically sustainable manner.

The end of a primary energy system so heavily reliant on fossil fuels is in sight. If we do not pursue sustainable technologies and a sustainable State and devote significant public resources to this end, we would find ourselves steadily sliding down international productivity and economic rankings sooner rather than later. We would be overtaken by more enterprising countries and lose touch with developments within the EU. We have a duty of care and binding legal commitments as a country to manage our share of the biosphere, to stabilise climate change and mitigate the damage being done by carbon and other polluting emissions.

How will all of this be financed? The scale required to achieve our ambitions will be significant. The most important challenge is, perhaps, not how much we invest, but how we invest it. Our main concerns at this point are as follows: to support our Ministers in ensuring that our investment strategy for transport is broadly aligned with the National Planning Framework and the draft NIFTI; to support our Ministers in ensuring, that within our investment strategies, decarbonisation ambitions are built into every aspect of them; to ensure that the decarbonisation ambitions are measurable and quantifiable; and to ensure at an Executive level that our programme governance and selection processes are robust, risk managed in such a way as to identify the right projects, and accurately estimate and tightly manage costs and delivery timeframes of these projects.

A key task for me is to work with DPER during Phase 2 of the NDP Review to ensure that the budget and the capital ceilings for the next 5 to 10 years of project delivery are broadly in line with the cost range estimates of projects we expect to come on stream over this period. At €2.5bn for 2021, the present base level of the budget is, on paper, very good. However, there are three extremely important caveats to this. The first is that we only reached this level within the last two budgets after a decade where we invested far below the rate required commensurate with the growth in population and economy. So, we are playing catch-up.

The second caveat is that the annual required baseline share of the budget for protection and renewal (that is, maintenance of assets at a level where they do not deteriorate) of our road and rail networks is around €1 billion. This in practice reduces the allocation available for investment in network expansion.

The third caveat is that we know, in its present published form, the capital budget is not enough to deliver the planned investment programmes coming down the tracks. When we enter discussions on capital ceilings for the next 5 to 10 years, how we address these three caveats will be instrumental in determining the right capital ceilings for network improvement and expansion.

Turning to the main NDP item at the Department of the Environment, Climate Action and Communications, the National Broadband Plan (NBP), together with continued investment by commercial telecommunications operators is creating a more digitally connected Ireland. The National Broadband Plan will ensure that no premises regardless of how remote will be left without this vital service. Economic growth, jobs and competitiveness, balanced regional development, social inclusion and environmental protection are all supported by high speed and robust telecommunications networks which also provide for a more equitable and sustainable future allowing rural communities to avail of the opportunities presented by the digital economy.

Data from ComReg published late last year showed the year-on-year increase of over 80,000 subscriptions to Fibre-to-the-Premises broadband services in Ireland in 2020, clearly evidencing the demand of Irish consumers for high capacity connectivity once these services are available. The pace of growth in data usage is set to continue which reinforces the need for high speed, high capacity infrastructure.

The need for access to high speed broadband by all has never been clearer. Recognising this, the Programme for Government specifically commits to seek to accelerate the roll out of the National Broadband Plan. Work is underway to explore the feasibility of accelerating aspects of the NBP rollout to establish

the possibility of bringing forward premises which are currently scheduled in later years of the current plan to an earlier date. Any change requires detailed technical, commercial and financial analysis.

Chairman and members, I hope my remarks have thrown some light on our thinking within the Department of Transport on the review of the NDP. I look forward to providing you with as many answers to your questions as we can over the coming couple of hours.

Thank you.